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10 **UNITED STATES BANKRUPTCY COURT**  
11 **WESTERN DISTRICT OF WASHINGTON**  
12 **AT SEATTLE**

13 In Re:

14 CONSOLIDATED MERIDIAN FUNDS, a/k/a  
15 MERIDIAN INVESTORS TRUST, et al.

16 Debtors.<sup>1</sup>

17 MARK CALVERT, as Liquidating Trustee of  
18 Meridian Mortgage Investor Fund I, LLC,  
19 Meridian Mortgage Investor Fund II, LLC,  
20 Meridian Mortgage Investor Fund III, LLC,  
Meridian Mortgage Investor Fund V, LLC,  
Meridian Mortgage Investor Fund VI, LLC,  
Meridian Mortgage Investor Fund VII, LLC,

Consolidated Case No. 10-17952

Adversary No.

**COMPLAINT AND JURY DEMAND**

21  
22 <sup>1</sup> The Debtors were Meridian Mortgage Investors Fund V, LLC (Case No. 10-17952); Meridian Mortgage  
23 Investors Fund II, L.L.C. (Case No. 10-17976); Meridian Mortgage Investors Fund VII, LLC (Case No. 10-  
24 17953); Meridian Mortgage Investors Fund VIII, LLC (Case No. 10-17958); Meridian Mortgage Investors  
25 Fund VI, LLC (Case No. 10-18729); Meridian Mortgage Investors Fund IX, LLC (Case No. 10-18727);  
26 Meridian Mortgage Investors Fund X, LLC (Case No. 10-18728); Meridian Real Estate Opportunity Fund I,  
LLC (Case No. 10-19645); Meridian Real Estate Opportunity Fund II, LLC (Case No. 10-19644); Meridian  
Mortgage Investors Fund I, L.L.C. (Case No. 11-10830); Meridian Mortgage Investors Fund III, LLC (Case  
No. 11-10833); and MPM Investor Services Inc. (Case No. 11-10834). Together, these Debtors are referred to  
herein as the "Fund Debtors." Pursuant to the Plan confirmation order entered on June 22, 2011, the Cases  
have been substantively consolidated and Mark Calvert is the Liquidating Trustee.

COMPLAINT AND JURY DEMAND - 1

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Meridian Mortgage Investor Fund VIII, LLC,  
Meridian Mortgage Investor Fund IX, LLC,  
Meridian Mortgage Investor Fund X, LLC, MPM  
Investor Services, Inc., Meridian Real Estate  
Opportunity Fund I, LLC, Meridian Real Estate  
Opportunity Fund II, LLC, and the Liquidating  
Trust of June 21, 2011; Aaron and Suzanne Kelly;  
Alex Cordas/Viking; Alison Kinder; Alvin  
Berman; Anne Prewett; Anne Sopher-Shapiro;  
Barbara Thompson; Betty Treiger; Bill & Linda  
Green Revocable Trust; Brian Lagen; Brenda  
Smith; Brett Nesland; Bruce P. and Karleen  
Kennedy Trust; Bruce S. & Carol L. Backer; The  
Estate of Bruce Watson; Bruce Zimmerman; Carl  
Pavelko; Carl Pavelko IRA; Carol Nelson;  
Carolyn Graves; Catherine Hansen; Charles Scott  
Harbert; Christine Buecker; Christine Whitney;  
Daniel Joseph Allen; David & Mary Jo Nelson;  
David Allen Hill; David Nelson; Dennis & Paula  
Heck; Diane Lauerman; Dianne M. Fisher; Donald  
F. Berry; Doug Whittle; Doyl Burkett; Dr. Brian  
A. & Ramona Sakamoto; Eric Jarvis; Eric Smith;  
Erik Morris; Fenton Love; Gary Stevens; Henry &  
Charlotte Kim; Henry Waggoner; J. Greg Zoltani;  
Jackie Gran; Jacqueline Ramsey; James A. North;  
James Claus; Jan Sobieralski & Louise  
McNerney; Janice Miller; Jay & Lisa Clem; Jaye  
Johnson; Jeffrey Lanctot; Jeffrey Richter &  
Kristin Trace; Jens Gran; Jette Jon Bunch; Jill  
Berman; Jo Hoffman; John & Joanne Wejak; John  
S. Barney; John S. Brasino; John S. & Katie M.  
Milne; Joseph W. McNamee; Judy Meleliat; Karl  
Sandborg; Kevin Davis court; Kristen Jarvis;  
Kristin Griffith; Kurt Davis court; Larry Berman;  
Lee Jr. Family Trust; Leif Youngberg; Leonard  
Dietrich; Loni L. Gray Living Trust; Lori Elliot;  
Lory Lybeck; M. Eugene Miller; Manuel Ravelo  
Living Trust; Marc Lagen; Margo Lagen; Marika  
Pineda; Mark Shapiro; Martin E. McQuaid; Mary  
L. Davis; Mary Moore; Mary Reilly Jensen;  
Matthew J. & Wendy C. Costello; Michael &  
Tonya Venneberg; Michael Nesland; Morris &  
Anita Hendrickson; Neal Baum; Nick J. & Stacie  
L. Beck Living Trust; Pasner Family Trust;

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1 Patricia Blumenthal; Patricia J. McNamee;  
2 Patricia Peterson; Patricia Robinson; Peter  
3 Boleneus; Peter Jarvis IRA; Ray Frederick; Ray  
4 Hebert; Richard & Marjorie Sampson; Richard  
5 Brashen; Rick Braumoeller; Rob Chandler; Robert  
6 & Mary Montgomery; Robert Montgomery IRA;  
7 Robert Fairbairn; Robert Friedman; Robert Stack;  
8 Rothschild Revocable Living Trust; Ron  
9 Neubauer; Ronald C. Norris and Linda S. Talley;  
10 Russ Humphrey; S. Bruce and Edith B. Tobin;  
11 Sam T. & Virginia Howard; Sandra Dunn; Santos  
12 & Lidia Argueta; Shane McTaggart; Sharon  
13 Warsinske; Shirley Peterson; Stanley M. Graves  
14 IRA; Stanley Zimmer; Steven & Carrie Yates;  
15 Steven Sasaki; Stuart Hagen; Susan Gilleland;  
16 Susan-Claire Anderson Reid; Suzanne C. Johnson;  
17 Talking Dreams Stable; TATS of WA, Inc.,  
18 defined Pension Plan; Theodore Owen Gates;  
19 Timothy L. Sutherland Living Trust; Todd  
20 Mueller; Victoria Littleman; William John  
21 Bloudek, Jr.; William G. Garrett; Adeline  
22 Shannon; Al Chandler; Alan C. Stewart/Stewart  
23 Family Recov.; Alan D. Cornell; Alan F. Roberts  
24 IRA; Alan G. Willett/Al Willett; Albert A. James  
25 Living Trust; Albert W. Emonds; Alberta J.  
26 Fahlsing; Alden M. Garrett; Alexander Children  
LLC; Alice Johnson Exemption Trust; Alice  
Wraith; Allen & Millicent Day; Anderson Family  
Revocable Living Trust; Andrew L. Orton IRA;  
Andrew L. & Mary Lee Orton; Anita  
Hendrickson; Ann Morris & James Sobieck;  
Annette Lave Ostergaard; Anthony & Julie  
Panagiotu; Anthony Brian Davenport; Anthony J.  
Robins; Anthony Tamaccio & Chi Lay Bahn;  
Antonietta Galotola; Arlen Prentice; Arthel  
Burklund; Atsuko Klein; Barbara & Pat Carey;  
Barbara A. Smith; Barbara Burns; Beth P. Carver-  
Kennel; Big E Construction; Bob Pappas; Bocek  
Family LP II; Brian P. Mulligan; Brian Pearson  
IRA/Viking; Brian Yates; Bruce Guenzler & Mary  
Heidt; C. Eric Gulotta; Camelia J. Dobrick; Caren  
L. Toney; Carl & Karen Elliott; Carl Scott East;  
Carlos Herrera; Carole Maddock; Carolyn  
Gaylord; Carsten & Elizabeth Henningsen;

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1 Catherin Maxwell; Celia Herrera; Chad Reed;  
2 Charles Albright; Charles E. Jenks; Charles Flynn;  
3 Charles L. LeFevre/Viking Retirement; Charles R.  
4 Knight; Chris Prentice; Chris Seeley; Christianson  
5 Living Trust; Christina Koons; Christopher Kane  
6 Rollover IRA; Clauson Family Trust; Clifford  
7 ("Cliff") & Marie Hackney; Clifford N. Harby;  
8 Constance Weiss; Cornerstone Alternative Fixed  
9 Income Fund LP; Craig & Darla Brand; Craig A.  
10 Norsen IRA; Craig Bruya; Craig R. Edwards;  
11 Craig Tall; CRER Capital Holdings LLC; Crista  
12 Ministries; Crista Ministries Operating Acct;  
13 Crista Ministries/ASAR Endowment; Crista  
14 Ministries/CVM Endowment; Crista  
15 Ministries/SC Endowment; Crystal Mountain  
16 Founders Club; Cynthia S. Lair/Charles Schwab;  
17 Dale & Linda Miller; Dale Knelevich; Dale L.  
18 Cowles; Dan Dingfield; Dan Gatchet; Dan Rasar;  
19 Dana Taylor Davenport; Daniel Kearin; Daniel  
20 Kearin IRA; Daniel T. & Jessie G. Hayden  
21 Unitrust/Crista; Darle & Patricia Blumenthal;  
22 Darpat LLC; Darrin Erdahl; Daryl & Joyce Reoch;  
23 Dave & Karen Hobson; David & Anne Gilbert;  
24 David & Barbara Rogers; David & Sonia  
25 Alexander; David & Susan Stewart Family Trust;  
26 David A. Buecker; David A. Spencer; David  
Alexander; David Beitel; David C.E. Williams;  
David Charles Leisy; David Graybill/David  
Graybill IRA/Charles Schwab; David Greenheck;  
David J. Barenborg; David Lee Johnson; David  
M. Bray III; David M. Hyink; David Moseley;  
David N. Chichester; David O'Hara; David  
Stempel; David Stewart/Sterling Trust Co; David  
W. & Kortney L. Graybill; Dawn D. Tumham;  
Debbie C. Acton; Deborah & Jennifer Brehm;  
Deborah A. Weasea; Deborah Garrett; Deborah  
Garrett 2002 Trust; Deborah M. Geffrard; Debra  
Blumberg; Dee Tour du Monde; Delmar & Jerry  
Burkett; Denise C. Chandler Smith; Dennis &  
Wilma Johnson; Dennis Claus; Dennis Iverson;  
Dennis Rossman; Dennis Weston IRA; Denny  
Shuler; Diane Katz/Viking; Diane Stielstra/Diane  
Stielstra & Don Fry; Donald Esfeld; Donna  
Whitney IRA; Donna Willett; Doris M. Katz

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Credit Trust; Dorothy M. Rupert; Doyl & Catherine Burkett; Drew Fletcher; Drew Thoresen; Dudley W. Johnson; E. Doris Gough Trust; Ea Lilja; Eduardo R. Garcia; Eduardo R. Garcia & Jane C. Hoerig; Edward Charles Kauffman; Edward Garth; Edward J. Alto; Edward J. O'Toole; Edward Keven Greenfield; Edward M. Hartstein; Edward R. Stanek IRA; Eldon Larson; Eleanor Karapetian; Elizabeth Dowd; Elizabeth Hampson aka Karen E. Elmer; Elizabeth Ione Newman; Elizabeth Tilbury-Marquard; Ellen J. Koutsky; Emma Sigmund Trust; Enid R. Clauson; Erik Meltzer; Estate of Margaret Thoresen; Evan Smith & Barbara Schechter; Evergreen Barbecue; F. Ross Boundy; Fairweather Lane; Floyd B. Barnes; Forrest Lee Brissey; Frances Byrne; Frank M. Mercker; Franklin B. Flowers; Fred & Marilee Slusser; Fred G. Neufeld; Fred Neufeld; Fred Wert; Frederic J. Sigmund; Frederic J. Sigmund IRA/Viking; Frederick W. Lurmann; Garrett M. Upper; Gary Galeotti IRA; Gary Galeotti Sep IRA; Gary Galeotti/Galeotti Living Trust; Gayle A. Murdock; Gene Feters; George E. Burt IRA; George G. Toussaint; Gerald (Jerry) Hendin; Geraldine Ann King GST Trust; Gina Burrow; Glenn R. Holst; Glenn R. Holst IRA/Equity Trust; Goldie Feinberg; Gordon L. Rockhill/Gordon Rockhill IRA; Gordon Willett; Greg Whitney IRA; H. Raymond & Jina Lankford; Haley Elizabeth McCurry; Hallie S. Maxon Trust; Hanan Berman; Harold & Jacklyn Vhugen; Harold E. Olsson IRA; Harold F. Vhugen; Harris Family Trust; Heather Moynihan; Helen M. Miller; Henry Brehm IRA; Henry H. Happel III; Henry R.E. Spouse; Herrera Environmental Consult.; Hope R. Garrett; Hyun Ju Low; Irwin Gruverman; Isabelle Noiret; Jack & Linda Middlebrooks; Jack Jackson aka C. Jack Jackson; Jacklyn Vhugen; Jacqueline Pappas; James & Camelia Dobrick; James & Marianne Wilkinson; James A. Tryon; James and Lisa O'Neal; James C. Dobrick; James J. Casey; James L. & Lynne M. Addington; James L. Addington IRA; James M. Becker; James M. Marquard;

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James P. Newcomb; James Pechan; James R. Anderson; James R. Swanson; James Sweet; Jan Diepenheim/Jan Diepenheim/Viking; Jane C. Hoerig; Janet M. Harding; Janet Stanton IRA/Charles Schwab; Janis Ban IRA; Jann A. Curley; Jarvis Gift Trust #1/Sally B. Jarvis Family Gift Trust UA DTD 11/01/94; Jarvis Gift Trust #2/Sally B. Jarvis Family Gift Trust #2; Jeanne Carlson; Jeanne Edwards; Jeanne W. Carlson; Jeanelle Shields; Jeffrey Keck; Jeffrey L. & Denise J. Beauchamp; Jene H. Deguchi; Jenner Charitable Remainder Unitrust; Jeremey & Linda Mattox; Jerry R. Ronk IRA; Jerry T. Party; Jessica Prince; Jill A. Flynn; Jim Purdy; Jo Ann Corfman; Joan L. Johnson Living Trust; Joanne E. Galloway Trust; Joanne Meyers IRA; Jody M. Albright; Joel Korotzer; John A. McLeod; John Carr; John D. Opalka; John Davids; John E. Pendergast; John F. & Marjorie A. Thatcher; John Francis Henry Trust; John H. (Jack) & Patricia A Stahl; John L. Backes/Charles Schwab; John L. Backes & Robin J. Roberts aka J. Backes & R. Roberts Revocable Trust; John Schneider; John Spicer; John T. Towey; John W. Warjone; John W. Young; John W. Young IRA/Charles Schwab; Jon F. Nordby; Jose Carrasquero; Joseph L. Davis; Joseph Waskom; Judith A. Jance; Judith Cooper Hayden aka Judith Hadyen; Judith Hughes; Judy Bledsoe Addington Credit Trust; Judy M. Schneider; Julie Carkin; June Burghardt; Karen Hobson IRA; Kari J. Guddal Record aka Kari Record; Karleen K. Kennedy; Karyn L. Kelley; Katherine D. Schmidt; Katherine Leigh McCurry; Katherine N. Heun; Kathleen Opler; Kathleen T. Snyder/Charles Schwab; Kathryn R. Sigmund IRA/Viking; Kathy & Duane Timmons; Kathy Gerke; Kay M. Edwards; Kathy Opler; Keith Schafer; Kelley Kennedy; Kelsey M. Edwards; Ken & Loretta Story; Ken B. Martin; Ken Story; Ken Story IRA; Kendal Martin; Kenneth & Katherine Heeter; Kenneth Heeter/Charles Schwab; Kenneth R. Koehler; Kevin & Alia Peterson; Kevin & Kathy Daviscount; Kevin & Kelley Kennedy; Kevin

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1 Gabelien; Kevin Kennedy; Kimberly Susan  
2 Sinfield Family Trust; Kourtney Lorriane  
3 Graybill IRA/Charles Schwab; Kristin A.  
4 Jamerson; Kurt C. Edinger; Kyle Edwards; Lance  
5 Mueller; Lance Mueller & Assoc.; Lance Mueller  
6 & Assoc. Profit Sharing Plan; Lance P Mueller  
7 IRA/RBC Capital Markets; Larry Culver; Larry  
8 M. Jensen; Larry Stauffer; Laura L. Anderson;  
9 Laurie Towey; Lawrence Michael & Michael  
10 Glenn; Lee A. Smith; Lee Kraft; Leslie Garrett  
11 2002 Trust; Linda Breiwick; Linda D. Adams;  
12 Linda G. Jeans; Linda Griffin; Linda H. Preizler;  
13 Lloyd A. Knight Charitable Remainder  
14 Unitrust/Crista; Lois Gelman/Eric Fassler; Lola A.  
15 Yeend Growth Fund LLC & Lola A. Yeend Bond  
16 Income LLC; Loretta Kelly; Loretta Story; Loretta  
17 Story IRA; Lorin J. Anderson Trust; Lynne M.  
18 Addington IRA; Mahlon & Jeanne Nichols;  
19 Malcolm L. Edwards; Malcolm L. Edwards &  
20 Elizabeth Dowd; Malmfeldt Living Trust; Marc &  
21 Trina LaRoche; Marc LaRoche IRA; Margaret AH  
22 Siemion; Margaret Ann Ross; Margaret Tilbury;  
23 Margey Thoresen aka M. A. Thoresen; Marilyn H.  
24 Kean; Marjorie Easley; Marjorie J. Holstege;  
25 Mark & Barbara Roller; Mark & Joan Lombardi;  
26 Mark & Susan Blanchard; Mark B. Upson; Mark  
Cramer; Mark Weisman IRA; Marlee Kleca;  
Marlene Winter; Martin & Susan McCurrey;  
Martin Thomas Paul; Martyn F. Adams; Mary A.  
Sifferman; Mary Ann Gonzalez; Mary Ann  
Mackay; Mary Ann Moore; Mary B. Veal; Mary  
Elizabeth Kelly; Melissa Klebanoff; Meyers  
Investment LLC; Michael & Diane Quiriconi;  
Michael J. Sweeney & Cathleen M. Carr; Michael  
Ken Menth; Michael Krutsinger; Michael  
Quiriconi IRA; Michael R. Oreskovich; Michael  
Rasmussen; Michael Moran; Milton & Jane  
Barrett; Mimi Cristall/Macho Mouse; Monica H.  
Mackin; Monte & Nancy Szendre; Morgan G.  
Edwards; Muriel Van Housen Charitable  
Remainder Unitrust; Nathan Benedict & Steven  
Nyman; NCCF Support Inc/Bill Layton; Neal  
Sullins; Neville & Louella Dowell FLP; Norma  
Barnecutt; Norma Jean Spouse; Pamela B.

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McCabe; Patricia A. Campbell; Patricia Anne Friedland/Pat Friedland; Patricia Marie Logan; Patricia Sabin/Penny Sabin; Patrick J. Burns; Patrick Mitchell; Paul A. Nelson; Paul Fergen; Paul G. Ellingson; Paul H. Soderlund IRA; Paul M. McDermott; Paul Stutesman; Paul Walker; Payton Smith IRA; Peter & Sandra Jouflas; Peter G. Alder; Peter Garrett; Peter Langmaid/Elizabeth Langmaid UGMA/Jessica Langmaid UGMA/Peter Langmaid & Audrey Shiffman; Peter Sutherland; Phil & Anita Rockefeller; Phillip & Susan Parise; Philip Stielstra; Pieter & Claire Van Wingerden; Poul & Joann Hansen Living Trust; Ralph B. Walker; Ralph R. Zeck DDS MS PS; Ray Bowen; Raymond Klein; RDV Racing LLC; Richard & Hope Stroble; Richard & Linda Korver; Richard & Susan Warsinke; Richard A. Snyder/Charles Schwab; Richard B. King Exempt Trust; Richard D. Padrick; Richard Izmer Revocable Living Trust; Richard Lawrence Johnson; Richard Machin; Richard Michael Creighton IRA; Richard R. Radloff; Richard Ress; Richard S. Munsen Jr IRA; Richard W. Campbell; Richard W. Johnson IRA/Sterling Trust; Richard W. Johnson Living Trust; Rick & Betsy Ellingson/Rick & Mary Ellingson; Rita Pampanin; Robert & Catherine Ferguson; Robert & Carol Grant; Robert & Karyn L. Kelley; Robert & Lyndi Taylor; Robert Bashor; Robert Bernardo; Robert C. Abbe; Robert C. Wallace; Robert Dennis & Peggy Jean Turner Charitable Unitrust/Crista; Robert E. Miller; Robert F. & Cynthia M. Mokos; Robert G. Noftsger IRA/Viking; Robert G. Noftsger Roth/Viking; Robert J. & Katherine Heun Trust; Robert J. & Nancy Hutnik; Robert J. Gerke; Robert J. Heun; Robert J. Hutnik; Robert J. Stanton Trust FBO James L. Stanton; Robert Jeans; Robert L. Cooper Family LLC; Robert L. Hoffman; Robert Murray Darling/R. Murray Darling; Robert Noftsger; Robert O. Edwards Trust; Robert P. & Catherine A. Betz; Robert Sours; Robert Staudacher; Robert Tauscher; Robert Taylor IRA; Robert Wroblewski; Robin J. Knepper Living Trust; Robin Knepper GST Non

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Exempt QTIP; Rodney B. Smith & Ellen B. McCown; Roger K. Hammers IRA & Roth; Roger L. Winter; Roland & Margaret Ross; Roland J. Ross IRA; Ron Buzard; Ronand Norris/Ronand Norris & Linda Talley; Ronald & Deborah Parker; Ronald J. Kiracofe; Roy & Kathleen Whitman; Roy A. Slack MD; Ruhl Family Trust/K. Michael Ruhl; Ryan Andrew McCurry; Sam & Virginia Howard; Samuel Selinger IRA; Sandra Alto; Sara L. Schmitt; Sarah Johnson Armstrong; Scott D. Murdock; Scott Jennings; Scott Silver; Seidner Investments LLC; Sharon Lynne Davidoff; Sheila K. Striegl; Shelley Smith; Sherri Zom IRA; Sherrie Wilson; Shirley Iverson; Sonia Fradkin; Stanek Family Trust; Stanley B. Eastberg; Stephanie Erdahl; Stephen P. Walker III; Stephen Prentice; Stephen R. Jepson; Stephen W. Radons; Steven & Evelyn Chestnut; Steven Ban; Steven P. Wisner; Susan A. Stewart/Sterling Trust Co; Susan Ann V. Bray; Susan Melodia; Susan Stanek Winget Sep IRA; Suzanne Kotz; Suzanne Roberts IRA; Tacor Properties LLC; Terry & Rita Deschenes; Terry Collier; Theodore & Nancy Preg; Thomas & Cathy Friedland; Thomas B. Keefer; Thomas C. Green IRA/Charles Schwab; Thomas C. Green MD IRA/Charles Schwab; Thomas E. & LouAnn Rypka; Thomas F. Topel; Thomas F. Topel IRA/Charles Schwab; Thomas McGreevy; Thomas O. Orvald; Thomas W. & Cheryl L. Merriman; Thomas W. Friedland; Thomas W. Roberts; Timothy Higgins; TJI II LLC; Todd D. Silver; Tom Nickels; Tryg Winquist; Uri Silberstein; Vicki L. Brakke; Virginia Gabelein; Vivian Wheeler; Walter & Denise Smith; Warren (Terry) & Shari Hill; Wilbur Schick; Wilkinson Charitable Unitrust; William & Wenche Riva; William E. Whitaker; William Elmer IRA/Kibble Prentice; William F. Amman; William Fahlsing; William Gaylord; William H. Martin; William Larson; William P. Wolfe; Yates Family LLC; Yates Family LP; Yoko Murao; Zhanbing Wu; and, Zimmerman Trust/Miriam A. Zimmerman Living Trust,  
Plaintiffs,

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1  
2 vs.

3 ZIONS BANCORPORATION, a Utah  
4 corporation; THE COMMERCE BANK OF  
5 WASHINGTON, N.A., a federally chartered  
6 commercial bank,

7  
8 Defendants.

9 MARK CALVERT, as Liquidating Trustee of Meridian Mortgage Investor Fund I,  
10 LLC, Meridian Mortgage Investor Fund II, LLC, Meridian Mortgage Investor Fund III, LLC,  
11 Meridian Mortgage Investor Fund V, LLC, Meridian Mortgage Investor Fund VI, LLC,  
12 Meridian Mortgage Investor Fund VII, LLC, Meridian Mortgage Investor Fund VIII, LLC,  
13 Meridian Mortgage Investor Fund IX, LLC, Meridian Mortgage Investor Fund X, LLC, MPM  
14 Investor Services, Inc., Meridian Real Estate Opportunity Fund I, LLC, Meridian Real Estate  
15 Opportunity Fund II, LLC, and the Liquidating Trust of June 21, 2011, Aaron and Suzanne  
16 Kelly, Alex Cordas/Viking, Alison Kinder, Alvin Berman, Anne Prewett, Anne Sopher-  
17 Shapiro, Barbara Thompson, Betty Treiger, Bill & Linda Green Revocable Trust, Brian  
18 Lagen, Brenda Smith, Brett Nesland, Bruce P. and Karleen Kennedy Trust, Bruce S. & Carol  
19 L. Backer, The Estate of Bruce Watson, Bruce Zimmerman, Carl Pavelko, Carl Pavelko IRA,  
20 Carol Nelson, Carolyn Graves, Catherine Hansen, Charles Scott Harbert, Christine Buecker,  
21 Christine Whitney, Daniel Joseph Allen, David & Mary Jo Nelson, David Allen Hill, David  
22 Nelson, Dennis & Paula Heck, Diane Lauerma, Dianne M. Fisher, Donald F. Berry, Doug  
23 Whittle, Doyl Burkett, Dr. Brian A. & Ramona Sakamoto, Eric Jarvis, Eric Smith, Erik  
24 Morris, Fenton Love, Gary Stevens, Henry & Charlotte Kim, Henry Waggoner, J. Greg  
25  
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1 Zoltani, Jackie Gran, Jacqueline Ramsey, James A. North, James Claus, Jan Sobieralski &  
2 Louise McNerney, Janice Miller, Jay & Lisa Clem, Jaye Johnson, Jeffrey Lancotot, Jeffrey  
3 Richter & Kristin Trace, Jens Gran, Jette Jon Bunch, Jill Berman, Jo Hoffman, John & Joanne  
4 Wejak, John S. Barney, John S. Brasino, John S. & Katie M. Milne, Joseph W. McNamee,  
5 Judy Meleliat, Karl Sandborg, Kevin Davis court, Kristen Jarvis, Kristin Griffith, Kurt  
6 Davis court, Larry Berman, Lee Jr. Family Trust, Leif Youngberg, Leonard Dietrich, Loni L.  
7 Gray Living Trust, Lori Elliot, Lory Lybeck, M. Eugene Miller, Manuel Rivel o Living Trust,  
8 Marc Lagen, Margo Lagen, Marika Pineda, Mark Shapiro, Martin E. McQuaid, Mary L.  
9 Davis, Mary Moore, Mary Reilly Jensen, Matthew J. & Wendy C. Costello, Michael & Tonya  
10 Venneberg, Michael Nesland, Morris & Anita Hendrickson, Neal Baum, Nick J. & Stacie L.  
11 Beck Living Trust, Pasner Family Trust, Patricia Blumenthal, Patricia J. McNamee, Patricia  
12 Peterson, Patricia Robinson, Peter Boleneus, Peter Jarvis IRA, Ray Frederick, Ray Hebert,  
13 Richard & Marjorie Sampson, Richard Brashen, Rick Braumoeller, Rob Chandler, Robert &  
14 Mary Montgomery, Robert Montgomery IRA, Robert Fairbairn, Robert Friedman, Robert  
15 Stack, Rothschild Revocable Living Trust, Ron Neubauer, Ronald C. Norris and Linda S.  
16 Talley, Russ Humphrey, S. Bruce and Edith B. Tobin, Sam T. & Virginia Howard, Sandra  
17 Dunn, Santos & Lidia Argueta, Shane McTaggart, Sharon Warsinske, Shirley Peterson,  
18 Stanley M. Graves IRA, Stanley Zimmer, Steven & Carrie Yates, Steven Sasaki, Stuart  
19 Hagen, Susan Gilleland, Susan-Claire Anderson Reid, Suzanne C. Johnson, Talking Dreams  
20 Stable, TATS of WA, Inc., defined Pension Plan, Theodore Owen Gates, Timothy L.  
21 Sutherland Living Trust, Todd Mueller, Victoria Littleman, William John Bloudek, Jr.,  
22 William G. Garrett, Adeline Shannon, Al Chandler, Alan C. Stewart/Stewart Family Recov.,  
23  
24  
25  
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1 Alan D. Cornell, Alan F. Roberts IRA, Alan G. Willett/Al Willett, Albert A. James Living  
2 Trust, Albert W. Emonds, Alberta J. Fahlsing, Alden M. Garrett, Alexander Children LLC,  
3 Alice Johnson Exemption Trust, Alice Wraith, Allen & Millicent Day, Anderson Family  
4 Revocable Living Trust, Andrew L. Orton IRA, Andrew L. & Mary Lee Orton, Anita  
5 Hendrickson, Ann Morris & James Sobieck, Annette Lave Ostergaard, Anthony & Julie  
6 Panagiotu, Anthony Brian Davenport, Anthony J. Robins, Anthony Tamaccio & Chi Lay  
7 Bahn, Antonietta Galotola, Arlen Prentice, Arthel Burklund, Atsuko Klein, Barbara & Pat  
8 Carey, Barbara A. Smith, Barbara Burns, Beth P. Carver-Kennel, Big E Construction, Bob  
9 Pappas, Bocek Family LP II, Brian P. Mulligan, Brian Pearson IRA/Viking, Brian Yates,  
10 Bruce Guenzler & Mary Heidt, C. Eric Gulotta, Camelia J. Dobrick, Caren L. Toney, Carl &  
11 Karen Elliott, Carl Scott East, Carlos Herrera, Carole Maddock, Carolyn Gaylord, Carsten &  
12 Elizabeth Henningsen, Catherin Maxwell, Celia Herrera, Chad Reed, Charles Albright,  
13 Charles E. Jenks, Charles Flynn, Charles L. LeFevre/Viking Retirement, Charles R. Knight,  
14 Chris Prentice, Chris Seeley, Christianson Living Trust, Christina Koons, Christopher Kane  
15 Rollover IRA, Clauson Family Trust, Clifford ("Cliff") & Marie Hackney, Clifford N. Harby,  
16 Constance Weiss, Cornerstone Alternative Fixed Income Fund LP, Craig & Darla Brand,  
17 Craig A. Norsen IRA, Craig Bruya, Craig R. Edwards, Craig Tall, CRER Capital Holdings  
18 LLC, Crista Ministries, Crista Ministries Operating Acct, Crista Ministries/ASAR  
19 Endowment, Crista Ministries/CVM Endowment, Crista Ministries/SC Endowment, Crystal  
20 Mountain Founders Club, Cynthia S. Lair/Charles Schwab, Dale & Linda Miller, Dale  
21 Knelevich, Dale L. Cowles, Dan Dingfield, Dan Gatchet, Dan Rasar, Dana Taylor Davenport,  
22 Daniel Kearin, Daniel Kearin IRA, Daniel T. & Jessie G. Hayden Unitrust/Crista, Darle &  
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COMPLAINT AND JURY DEMAND - 12

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1 Patricia Blumenthal, Darpat LLC, Darrin Erdahl, Daryl & Joyce Reoch, Dave & Karen  
2 Hobson, David & Anne Gilbert, David & Barbara Rogers, David & Sonia Alexander, David  
3 & Susan Stewart Family Trust, David A. Buecker, David A. Spencer, David Alexander,  
4 David Beitel, David C.E. Williams, David Charles Leisy, David Graybill/David Graybill  
5 IRA/Charles Schwab, David Greenheck, David J. Barenborg, David Lee Johnson, David M.  
6 Bray III, David M. Hyink, David Moseley, David N. Chichester, David O'Hara, David  
7 Stempel, David Stewart/Sterling Trust Co, David W. & Kortney L. Graybill, Dawn D.  
8 Tumham, Debbie C. Acton, Deborah & Jennifer Brehm, Deborah A. Weasea, Deborah  
9 Garrett, Deborah Garrett 2002 Trust, Deborah M. Geffrard, Debra Blumberg, Dee Tour du  
10 Monde, Delmar & Jerry Burkett, Denise C. Chandler Smith, Dennis & Wilma Johnson,  
11 Dennis Claus, Dennis Iverson, Dennis Rossman, Dennis Weston IRA, Denny Shuler, Diane  
12 Katz/Viking, Diane Stielstra/Diane Stielstra & Don Fry, Donald Esfeld, Donna Whitney IRA,  
13 Donna Willett, Doris M. Katz Credit Trust, Dorothy M. Rupert, Doyl & Catherine Burkett,  
14 Drew Fletcher, Drew Thoresen, Dudley W. Johnson, E. Doris Gough Trust, Ea Lilja, Eduardo  
15 R. Garcia, Eduardo R. Garcia & Jane C. Hoerig, Edward Charles Kauffman, Edward Garth,  
16 Edward J. Alto, Edward J. O'Toole, Edward Keven Greenfield, Edward M. Hartstein, Edward  
17 R. Stanek IRA, Eldon Larson, Eleanor Karapetian, Elizabeth Dowd, Elizabeth Hampson aka  
18 Karen E. Elmer, Elizabeth Ione Newman, Elizabeth Tilbury-Marquard, Ellen J. Koutsky,  
19 Emma Sigmund Trust, Enid R. Clauson, Erik Meltzer, Estate of Margaret Thoresen, Evan  
20 Smith & Barbara Schechter, Evergreen Barbecue, F. Ross Boundy, Fairweather Lane, Floyd  
21 B. Barnes, Forrest Lee Brissey, Frances Byrne, Frank M. Mercker, Franklin B. Flowers, Fred  
22 & Marilee Slusser, Fred G. Neufeld, Fred Neufeld, Fred Wert, Frederic J. Sigmund, Frederic  
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1 J. Sigmund IRA/Viking, Frederick W. Lurmann, Garrett M. Upper, Gary Galeotti IRA, Gary  
2 Galeotti Sep IRA, Gary Galeotti/Galeotti Living Trust, Gayle A. Murdock, Gene Feters,  
3 George E. Burt IRA, George G. Toussaint, Gerald (Jerry) Hendin, Geraldine Ann King GST  
4 Trust, Gina Burrow, Glenn R. Holst, Glenn R. Holst IRA/Equity Trust, Goldie Feinberg,  
5 Gordon L. Rockhill/Gordon Rockhill IRA, Gordon Willett, Greg Whitney IRA, H. Raymond  
6 & Jina Lankford, Haley Elizabeth McCurry, Hallie S. Maxon Trust, Hanan Berman, Harold &  
7 Jacklyn Vhugen, Harold E. Olsson IRA, Harold F. Vhugen, Harris Family Trust, Heather  
8 Moynihan, Helen M. Miller, Henry Brehm IRA, Henry H. Happel III, Henry R.E. Spouse,  
9 Herrera Environmental Consult., Hope R. Garrett, Hyun Ju Low, Irwin Gruverman, Isabelle  
10 Noiret, Jack & Linda Middlebrooks, Jack Jackson aka C. Jack Jackson, Jacklyn Vhugen,  
11 Jacqueline Pappas, James & Camelia Dobrick, James & Marianne Wilkinson, James A.  
12 Tryon, James and Lisa O'Neal, James C. Dobrick, James J. Casey, James L. & Lynne M.  
13 Addington, James L. Addington IRA, James M. Becker, James M. Marquard, James P.  
14 Newcomb, James Pechan, James R. Anderson, James R. Swanson, James Sweet, Jan  
15 Diepenheim/Jan Diepenheim/Viking, Jane C. Hoerig, Janet M. Harding, Janet Stanton  
16 IRA/Charles Schwab, Janis Ban IRA, Jann A. Curley, Jarvis Gift Trust #1/Sally B. Jarvis  
17 Family Gift Trust UA DTD 11/01/94, Jarvis Gift Trust #2/Sally B. Jarvis Family Gift Trust  
18 #2, Jeanne Carlson, Jeanne Edwards, Jeanne W. Carlson, Jeanelle Shields, Jeffrey Keck,  
19 Jeffrey L. & Denise J. Beauchamp, Jene H. Deguchi, Jenner Charitable Remainder Unitrust,  
20 Jeremey & Linda Mattox, Jerry R. Ronk IRA, Jerry T. Party, Jessica Prince, Jill A. Flynn, Jim  
21 Purdy, Jo Ann Corfman, Joan L. Johnson Living Trust, Joanne E. Galloway Trust, Joanne  
22 Meyers IRA, Jody M. Albright, Joel Korotzer, John A. McLeod, John Carr, John D. Opalka,  
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1 John Davids, John E. Pendergast, John F. & Marjorie A. Thatcher, John Francis Henry  
2 Trust, John H. (Jack) & Patricia A Stahl, John L. Backes/Charles Schwab, John L. Backes &  
3 Robin J. Roberts aka J. Backes & R. Roberts Revocable Trust, John Schneider, John Spicer,  
4 John T. Towey, John W. Warjone, John W. Young, John W. Young IRA/Charles Schwab,  
5 Jon F. Nordby, Jose Carrasquero, Joseph L. Davis, Joseph Waskom, Judith A. Jance, Judith  
6 Cooper Hayden aka Judith Hadyen, Judith Hughes, Judy Bledsoe Addington Credit Trust,  
7 Judy M. Schneider, Julie Carkin, June Burghardt, Karen Hobson IRA, Kari J. Guddal  
8 Record aka Kari Record, Karleen K. Kennedy, Karyn L. Kelley, Katherine D. Schmidt,  
9 Katherine Leigh McCurry, Katherine N. Heun, Kathleen Opler, Kathleen T. Snyder/Charles  
10 Schwab, Kathryn R. Sigmund IRA/Viking, Kathy & Duane Timmons, Kathy Gerke, Kay M.  
11 Edwards, Kathy Opler, Keith Schafer, Kelley Kennedy, Kelsey M. Edwards, Ken & Loretta  
12 Story, Ken B. Martin, Ken Story, Ken Story IRA, Kendal Martin, Kenneth & Katherine  
13 Heeter, Kenneth Heeter/Charles Schwab, Kenneth R. Koehler, Kevin & Alia Peterson, Kevin  
14 & Kathy Davis court, Kevin & Kelley Kennedy, Kevin Gabelien, Kevin Kennedy, Kimberly  
15 Susan Sinfield Family Trust, Kourtney Lorriane Graybill IRA/Charles Schwab, Kristin A.  
16 Jamerson, Kurt C. Edinger, Kyle Edwards, Lance Mueller, Lance Mueller & Assoc., Lance  
17 Mueller & Assoc. Profit Sharing Plan, Lance P Mueller IRA/RBC Capital Markets, Larry  
18 Culver, Larry M. Jensen, Larry Stauffer, Laura L. Anderson, Laurie Towey, Lawrence  
19 Michael & Michael Glenn, Lee A. Smith, Lee Kraft, Leslie Garrett 2002 Trust, Linda  
20 Breiwick, Linda D. Adams, Linda G. Jeans, Linda Griffin, Linda H. Preizler, Lloyd A.  
21 Knight Charitable Remainder Unitrust/Crista, Lois Gelman/Eric Fassler, Lola A. Yeend  
22 Growth Fund LLC & Lola A. Yeend Bond Income LLC, Loretta Kelly, Loretta Story, Loretta

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1 Story IRA, Lorin J. Anderson Trust, Lynne M. Addington IRA, Mahlon & Jeanne Nichols,  
2 Malcolm L. Edwards, Malcolm L. Edwards & Elizabeth Dowd, Malmfeldt Living Trust,  
3 Marc & Trina LaRoche, Marc LaRoche IRA, Margaret AH Siemion, Margaret Ann Ross,  
4 Margaret Tilbury, Margey Thoresen aka M. A. Thoresen, Marilyn H. Kean, Marjorie Easley,  
5 Marjorie J. Holstege, Mark & Barbara Roller, Mark & Joan Lombardi, Mark & Susan  
6 Blanchard, Mark B. Upson, Mark Cramer, Mark Weisman IRA, Marlee Kleca, Marlene  
7 Winter, Martin & Susan McCurrey, Martin Thomas Paul, Martyn F. Adams, Mary A.  
8 Sifferman, Mary Ann Gonzalez, Mary Ann Mackay, Mary Ann Moore, Mary B. Veal, Mary  
9 Elizabeth Kelly, Melissa Klebanoff, Meyers Investment LLC, Michael & Diane Quiriconi,  
10 Michael J. Sweeney & Cathleen M. Carr, Michael Ken Menth, Michael Krutsinger, Michael  
11 Quiriconi IRA, Michael R. Oreskovich, Michael Rasmussen, Michael Moran, Milton & Jane  
12 Barrett, Mimi Cristall/Macho Mouse, Monica H. Mackin, Monte & Nancy Szendre, Morgan  
13 G. Edwards, Muriel Van Housen Charitable Remainder Unitrust, Nathan Benedict & Steven  
14 Nyman, NCCF Support Inc/Bill Layton, Neal Sullins, Neville & Louella Dowell FLP, Norma  
15 Barnecutt, Norma Jean Spouse, Pamela B. McCabe, Patricia A. Campbell, Patricia Anne  
16 Friedland/Pat Friedland, Patricia Marie Logan, Patricia Sabin/Penny Sabin, Patrick J. Burns,  
17 Patrick Mitchell, Paul A. Nelson, Paul Fergen, Paul G. Ellingson, Paul H. Soderlund IRA,  
18 Paul M. McDermott, Paul Stutesman, Paul Walker, Payton Smith IRA, Peter & Sandra  
19 Joufflas, Peter G. Alder, Peter Garrett, Peter Langmaid/Elizabeth Langmaid UGMA/Jessica  
20 Langmaid UGMA/Peter Langmaid & Audrey Shiffman, Peter Sutherland, Phil & Anita  
21 Rockefeller, Phillip & Susan Parise, Philip Stielstra, Pieter & Claire Van Wingerden, Poul &  
22 Joann Hansen Living Trust, Ralph B. Walker, Ralph R. Zeck DDS MS PS, Ray Bowen,  
23  
24  
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1 Raymond Klein, RDV Racing LLC, Richard & Hope Stroble, Richard & Linda Korver,  
2 Richard & Susan Warsinke, Richard A. Snyder/Charles Schwab, Richard B. King Exempt  
3 Trust, Richard D. Padrick, Richard Izmer Revocable Living Trust, Richard Lawrence  
4 Johnson, Richard Machin, Richard Michael Creighton IRA, Richard R. Radloff, Richard  
5 Ress, Richard S. Munsen Jr IRA, Richard W. Campbell, Richard W. Johnson IRA/Sterling  
6 Trust, Richard W. Johnson Living Trust, Rick & Betsy Ellingson/Rick & Mary Ellingson,  
7 Rita Pampanin, Robert & Catherine Ferguson, Robert & Carol Grant, Robert & Karyn L.  
8 Kelley, Robert & Lyndi Taylor, Robert Bashor, Robert Bernardo, Robert C. Abbe, Robert C.  
9 Wallace, Robert Dennis & Peggy Jean Turner Charitable Unitrust/Crista, Robert E. Miller,  
10 Robert F. & Cynthia M. Mokos, Robert G. Noftsger IRA/Viking, Robert G. Noftsger  
11 Roth/Viking, Robert J. & Katherine Heun Trust, Robert J. & Nancy Hutnik, Robert J. Gerke,  
12 Robert J. Heun, Robert J. Hutnik, Robert J. Stanton Trust FBO James L. Stanton, Robert  
13 Jeans, Robert L. Cooper Family LLC, Robert L. Hoffman, Robert Murray Darling/R. Murray  
14 Darling, Robert Noftsger, Robert O. Edwards Trust, Robert P. & Catherine A. Betz, Robert  
15 Sours, Robert Staudacher, Robert Tauscher, Robert Taylor IRA, Robert Wroblewski, Robin J.  
16 Knepper Living Trust, Robin Knepper GST Non Exempt QTIP, Rodney B. Smith & Ellen B.  
17 McCown, Roger K. Hammers IRA & Roth, Roger L. Winter, Roland & Margaret Ross,  
18 Roland J. Ross IRA, Ron Buzard, Ronand Norris/Ronand Norris & Linda Talley, Ronald &  
19 Deborah Parker, Ronald J. Kiracofe, Roy & Kathleen Whitman, Roy A. Slack MD, Ruhl  
20 Family Trust/K. Michael Ruhl, Ryan Andrew McCurry, Sam & Virginia Howard, Samuel  
21 Selinger IRA, Sandra Alto, Sara L. Schmitt, Sarah Johnson Armstrong, Scott D. Murdock,  
22 Scott Jennings, Scott Silver, Seidner Investments LLC, Sharon Lynne Davidoff, Sheila K.  
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Striegl, Shelley Smith, Sherri Zom IRA, Sherrie Wilson, Shirley Iverson, Sonia Fradkin, Stanek Family Trust, Stanley B. Eastberg, Stephanie Erdahl, Stephen P. Walker III, Stephen Prentice, Stephen R. Jepson, Stephen W. Radons, Steven & Evelyn Chestnut, Steven Ban, Steven P. Wisner, Susan A. Stewart/Sterling Trust Co, Susan Ann V. Bray, Susan Melodia, Susan Stanek Winget Sep IRA, Suzanne Kotz, Suzanne Roberts IRA, Tacor Properties LLC, Terry & Rita Deschenes, Terry Collier, Theodore & Nancy Preg, Thomas & Cathy Friedland, Thomas B. Keefer, Thomas C. Green IRA/Charles Schwab, Thomas C. Green MD IRA/Charles Schwab, Thomas E. & LouAnn Rypka, Thomas F. Topel, Thomas F. Topel IRA/Charles Schwab, Thomas McGreevy, Thomas O. Orvald, Thomas W. & Cheryl L. Merriman, Thomas W. Friedland, Thomas W. Roberts, Timothy Higgins, TJI II LLC, Todd D. Silver, Tom Nickels, Tryg Winqvist, Uri Silberstein, Vicki L. Brakke, Virginia Gabelein, Vivian Wheeler, Walter & Denise Smith, Warren (Terry) & Shari Hill, Wilbur Schick, Wilkinson Charitable Unitrust, William & Wenche Riva, William E. Whitaker, William Elmer IRA/Kibble Prentice, William F. Amman, William Fahlsing, William Gaylord, William H. Martin, William Larson, William P. Wolfe, Yates Family LLC, Yates Family LP, Yoko Murao, Zhanbing Wu, and, Zimmerman Trust/Miriam A. Zimmerman Living Trust allege as follows:

**I. NATURE OF THE ADVERSARY PROCEEDING**

1.1 This case relates to the substantial assistance and encouragement Defendants Zions Bancorporation (“Zions”) and The Commerce Bank of Washington, N.A., (“Commerce” and collectively with Zions, “Defendants”) gave Frederick Darren Berg in the massive Ponzi scheme he developed and implemented through numerous investment funds

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1 sharing the “Meridian” brand name (the “Meridian Funds”). Through the Meridian Funds  
2 Berg defrauded his investors out of \$150+ million dollars, while committing a multitude of  
3 breaches of fiduciary duty. From at least 2004, Defendants were the bankers for the  
4 Meridian Funds, for Berg personally, or for other Berg entities such as his bus company.  
5 Defendants aided and abetted Berg in carrying out the massive fraud and in breaching his  
6 fiduciary duties to investors in the Meridian Funds, including the Plaintiffs here.

7 1.2 Defendants (a) knew that Berg’s conduct was fraudulent and/or constituted a  
8 breach of his fiduciary duties; and (b) provided substantial assistance and/or encouragement  
9 to Berg in the achievement of his scheme to defraud and/or breach his fiduciary duties.  
10 Among other things, Defendants: (a) allowed Berg to pay personal debts, including debts  
11 related to his multi-million dollar Mercer Island, Washington home, through wire transfers  
12 directly from Meridian Fund accounts at Commerce; (b) allowed Berg to purchase luxury  
13 buses for his unrelated bus company with funds transferred directly from Meridian Fund  
14 accounts at Commerce; (c) allowed Berg to purchase luxury buses for his unrelated bus  
15 company with funds transferred indirectly from Meridian Fund accounts at Commerce  
16 through multiple same day transactions sourced through Commerce accounts and accounts  
17 of various Berg related entities; (d) allowed Berg to commingle monies between the  
18 accounts of the various Meridian Funds at Commerce; and (d) granted Berg preferential  
19 treatment in various ways, including but not limited to allowing consistent overdraft  
20 activity, extending letters of credit on terms inconsistent with Defendants’ banking policies,  
21 giving Berg letters of recommendation and/or turning a blind eye to suspicious activity  
22 within the Meridian Fund accounts.

## 23 II. PARTIES

24 2.1 Non-party Frederick Darren Berg (“Berg”) is a resident of the State of  
25 Washington who at all relevant times maintained his principal office in Seattle and created  
26

COMPLAINT AND JURY DEMAND - 19

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1 and was the designated manager of a series of investment funds known as Meridian  
2 Mortgage Investor Fund I, LLC; Meridian Mortgage Investor Fund II, LLC; Meridian  
3 Mortgage Investor Fund III, LLC; Meridian Mortgage Investor Fund V, LLC; Meridian  
4 Mortgage Investor Fund VI, LLC; Meridian Mortgage Investor Fund VII, LLC; Meridian  
5 Mortgage Investor Fund VIII, LLC; Meridian Mortgage Investor Fund IX, LLC; Meridian  
6 Mortgage Investor Fund X, LLC; Meridian Real Estate Opportunity Fund I, LLC; and  
7 Meridian Real Estate Opportunity Fund II, LLC (collectively referred to herein as “the  
8 Meridian Funds”); as well as MPM Investor Services, Inc. (referred to as “MPM”), which  
9 served as agent for the Meridian Funds. During 2010 and 2011, bankruptcy proceedings  
10 were commenced involving the Meridian Funds and MPM. Plaintiff Mark Calvert was  
11 appointed as the Chapter 11 Trustee of MPM and the Meridian Funds in these cases, which  
12 have been substantively consolidated under 10-17952 (“Meridian Bankruptcy Proceeding”).

13         2.2 The following individually named Plaintiffs invested in one or more of the  
14 Meridian Funds described herein: Aaron and Suzanne Kelly, Alex Cordas/Viking, Alison  
15 Kinder, Alvin Berman, Anne Prewett, Anne Sopher-Shapiro, Barbara Thompson, Betty  
16 Treiger, Bill & Linda Green Revocable Trust, Brian Lagen, Brenda Smith, Brett Nesland,  
17 Bruce P. and Karleen Kennedy Trust, Bruce S. & Carol L. Backer, The Estate of Bruce  
18 Watson, Bruce Zimmerman, Carl Pavelko, Carl Pavelko IRA, Carol Nelson, Carolyn  
19 Graves, Catherine Hansen, Charles Scott Harbert, Christine Buecker, Christine Whitney,  
20 Daniel Joseph Allen, David & Mary Jo Nelson, David Allen Hill, David Nelson, Dennis &  
21 Paula Heck, Diane Lauerman, Dianne M. Fisher, Donald F. Berry, Doug Whittle, Doyl  
22 Burkett, Dr. Brian A. & Ramona Sakamoto, Eric Jarvis, Eric Smith, Erik Morris, Fenton  
23 Love, Gary Stevens, Henry & Charlotte Kim, Henry Waggoner, J. Greg Zoltani, Jackie  
24 Gran, Jacqueline Ramsey, James A. North, James Claus, Jan Sobieralski & Louise  
25 McNeerney, Janice Miller, Jay & Lisa Clem, Jaye Johnson, Jeffrey Lanctot, Jeffrey Richter  
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1 & Kristin Trace, Jens Gran, Jette Jon Bunch, Jill Berman, Jo Hoffman, John & Joanne  
2 Wejak, John S. Barney, John S. Brasino, John S. & Katie M. Milne, Joseph W. McNamee,  
3 Judy Meleliat, Karl Sandborg, Kevin Davis court, Kristen Jarvis, Kristin Griffith, Kurt  
4 Davis court, Larry Berman, Lee Jr. Family Trust, Leif Youngberg, Leonard Dietrich, Loni L.  
5 Gray Living Trust, Lori Elliot, Lory Lybeck, M. Eugene Miller, Manuel Rivelto Living  
6 Trust, Marc Lagen, Margo Lagen, Marika Pineda, Mark Shapiro, Martin E. McQuaid, Mary  
7 L. Davis, Mary Moore, Mary Reilly Jensen, Matthew J. & Wendy C. Costello, Michael &  
8 Tonya Venneberg, Michael Nesland, Morris & Anita Hendrickson, Neal Baum, Nick J. &  
9 Stacie L. Beck Living Trust, Pasner Family Trust, Patricia Blumenthal, Patricia J.  
10 McNamee, Patricia Peterson, Patricia Robinson, Peter Boleneus, Peter Jarvis IRA, Ray  
11 Frederick, Ray Hebert, Richard & Marjorie Sampson, Richard Brashen, Rick Braumoeller,  
12 Rob Chandler, Robert & Mary Montgomery, Robert Montgomery IRA, Robert Fairbairn,  
13 Robert Friedman, Robert Stack, Rothschild Revocable Living Trust, Ron Neubauer, Ronald  
14 C. Norris and Linda S. Talley, Russ Humphrey, S. Bruce and Edith B. Tobin, Sam T. &  
15 Virginia Howard, Sandra Dunn, Santos & Lidia Argueta, Shane McTaggart, Sharon  
16 Warsinske, Shirley Peterson, Stanley M. Graves IRA, Stanley Zimmer, Steven & Carrie  
17 Yates, Steven Sasaki, Stuart Hagen, Susan Gilleland, Susan-Claire Anderson Reid, Suzanne  
18 C. Johnson, Talking Dreams Stable, TATS of WA, Inc., defined Pension Plan, Theodore  
19 Owen Gates, Timothy L. Sutherland Living Trust, Todd Mueller, Victoria Littleman,  
20 William John Bloudek, Jr., William G. Garrett, Adeline Shannon, Al Chandler, Alan C.  
21 Stewart/Stewart Family Recov., Alan D. Cornell, Alan F. Roberts IRA, Alan G. Willett/Al  
22 Willett, Albert A. James Living Trust, Albert W. Emonds, Alberta J. Fahlsing, Alden M.  
23 Garrett, Alexander Children LLC, Alice Johnson Exemption Trust, Alice Wraith, Allen &  
24 Millicent Day, Anderson Family Revocable Living Trust, Andrew L. Orton IRA, Andrew L.  
25 & Mary Lee Orton, Anita Hendrickson, Ann Morris & James Sobieck, Annette Lave  
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Ostergaard, Anthony & Julie Panagiotu, Anthony Brian Davenport, Anthony J. Robins, Anthony Tamaccio & Chi Lay Bahn, Antonietta Galotola, Arlen Prentice, Arthel Burklund, Atsuko Klein, Barbara & Pat Carey, Barbara A. Smith, Barbara Burns, Beth P. Carver-Kennel, Big E Construction, Bob Pappas, Bocek Family LP II, Brian P. Mulligan, Brian Pearson IRA/Viking, Brian Yates, Bruce Guenzler & Mary Heidt, C. Eric Gulotta, Camelia J. Dobrick, Caren L. Toney, Carl & Karen Elliott, Carl Scott East, Carlos Herrera, Carole Maddock, Carolyn Gaylord, Carsten & Elizabeth Henningsen, Catherin Maxwell, Celia Herrera, Chad Reed, Charles Albright, Charles E. Jenks, Charles Flynn, Charles L. LeFevre/Viking Retirement, Charles R. Knight, Chris Prentice, Chris Seeley, Christianson Living Trust, Christina Koons, Christopher Kane Rollover IRA, Clauson Family Trust, Clifford ("Cliff") & Marie Hackney, Clifford N. Harby, Constance Weiss, Cornerstone Alternative Fixed Income Fund LP, Craig & Darla Brand, Craig A. Norsen IRA, Craig Bruya, Craig R. Edwards, Craig Tall, CRER Capital Holdings LLC, Crista Ministries, Crista Ministries Operating Acct, Crista Ministries/ASAR Endowment, Crista Ministries/CVM Endowment, Crista Ministries/SC Endowment, Crystal Mountain Founders Club, Cynthia S. Lair/Charles Schwab, Dale & Linda Miller, Dale Knelevich, Dale L. Cowles, Dan Dingfield, Dan Gatchet, Dan Rasar, Dana Taylor Davenport, Daniel Kearin, Daniel Kearin IRA, Daniel T. & Jessie G. Hayden Unitrust/Crista, Darle & Patricia Blumenthal, Darpat LLC, Darrin Erdahl, Daryl & Joyce Reoch, Dave & Karen Hobson, David & Anne Gilbert, David & Barbara Rogers, David & Sonia Alexander, David & Susan Stewart Family Trust, David A. Buecker, David A. Spencer, David Alexander, David Beitel, David C.E. Williams, David Charles Leisy, David Graybill/David Graybill IRA/Charles Schwab, David Greenheck, David J. Barenborg, David Lee Johnson, David M. Bray III, David M. Hyink, David Moseley, David N. Chichester, David O'Hara, David Stempel, David Stewart/Sterling Trust Co, David W. & Kortney L. Graybill, Dawn D. Tumham, Debbie C.

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1 Acton, Deborah & Jennifer Brehm, Deborah A. Weasea, Deborah Garrett, Deborah Garrett  
2 2002 Trust, Deborah M. Geffrard, Debra Blumberg, Dee Tour du Monde, Delmar & Jerry  
3 Burkett, Denise C. Chandler Smith, Dennis & Wilma Johnson, Dennis Claus, Dennis  
4 Iverson, Dennis Rossman, Dennis Weston IRA, Denny Shuler, Diane Katz/Viking, Diane  
5 Stielstra/Diane Stielstra & Don Fry, Donald Esfeld, Donna Whitney IRA, Donna Willett,  
6 Doris M. Katz Credit Trust, Dorothy M. Rupert, Doyl & Catherine Burkett, Drew Fletcher,  
7 Drew Thoresen, Dudley W. Johnson, E. Doris Gough Trust, Ea Lilja, Eduardo R. Garcia,  
8 Eduardo R. Garcia & Jane C. Hoerig, Edward Charles Kauffman, Edward Garth, Edward J.  
9 Alto, Edward J. O'Toole, Edward Keven Greenfield, Edward M. Hartstein, Edward R.  
10 Stanek IRA, Eldon Larson, Eleanor Karapetian, Elizabeth Dowd, Elizabeth Hampson aka  
11 Karen E. Elmer, Elizabeth Ione Newman, Elizabeth Tilbury-Marquard, Ellen J. Koutsky,  
12 Emma Sigmund Trust, Enid R. Clauson, Erik Meltzer, Estate of Margaret Thoresen, Evan  
13 Smith & Barbara Schechter, Evergreen Barbeque, F. Ross Boundy, Fairweather Lane, Floyd  
14 B. Barnes, Forrest Lee Brissey, Frances Byrne, Frank M. Mercker, Franklin B. Flowers,  
15 Fred & Marilee Slusser, Fred G. Neufeld, Fred Neufeld, Fred Wert, Frederic J. Sigmund,  
16 Frederic J. Sigmund IRA/Viking, Frederick W. Lurmann, Garrett M. Upper, Gary Galeotti  
17 IRA, Gary Galeotti Sep IRA, Gary Galeotti/Galeotti Living Trust, Gayle A. Murdock, Gene  
18 Feters, George E. Burt IRA, George G. Toussaint, Gerald (Jerry) Hendin, Geraldine Ann  
19 King GST Trust, Gina Burrow, Glenn R. Holst, Glenn R. Holst IRA/Equity Trust, Goldie  
20 Feinberg, Gordon L. Rockhill/Gordon Rockhill IRA, Gordon Willett, Greg Whitney IRA,  
21 H. Raymond & Jina Lankford, Haley Elizabeth McCurry, Hallie S. Maxon Trust, Hanan  
22 Berman, Harold & Jacklyn Vhugen, Harold E. Olsson IRA, Harold F. Vhugen, Harris  
23 Family Trust, Heather Moynihan, Helen M. Miller, Henry Brehm IRA, Henry H. Happel III,  
24 Henry R.E. Spouse, Herrera Environmental Consult., Hope R. Garrett, Hyun Ju Low, Irwin  
25 Gruverman, Isabelle Noiret, Jack & Linda Middlebrooks, Jack Jackson aka C. Jack Jackson,  
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2 Wilkinson, James A. Tryon, James and Lisa O'Neal, James C. Dobrick, James J. Casey,  
3 James L. & Lynne M. Addington, James L. Addington IRA, James M. Becker, James M.  
4 Marquard, James P. Newcomb, James Pechan, James R. Anderson, James R. Swanson,  
5 James Sweet, Jan Diepenheim/Jan Diepenheim/Viking, Jane C. Hoerig, Janet M. Harding,  
6 Janet Stanton IRA/Charles Schwab, Janis Ban IRA, Jann A. Curley, Jarvis Gift Trust  
7 #1/Sally B. Jarvis Family Gift Trust UA DTD 11/01/94, Jarvis Gift Trust #2/Sally B. Jarvis  
8 Family Gift Trust #2, Jeanne Carlson, Jeanne Edwards, Jeanne W. Carlson, Jeanelle Shields,  
9 Jeffrey Keck, Jeffrey L. & Denise J. Beauchamp, Jene H. Deguchi, Jenner Charitable  
10 Remainder Unitrust, Jeremey & Linda Mattox, Jerry R. Ronk IRA, Jerry T. Party, Jessica  
11 Prince, Jill A. Flynn, Jim Purdy, Jo Ann Corfman, Joan L. Johnson Living Trust, Joanne E.  
12 Galloway Trust, Joanne Meyers IRA, Jody M. Albright, Joel Korotzer, John A. McLeod,  
13 John Carr, John D. Opalka, John Davids, John E. Pendergast, John F. & Marjorie A.  
14 Thatcher, John Francis Henry Trust, John H. (Jack) & Patricia A Stahl, John L.  
15 Backes/Charles Schwab, John L. Backes & Robin J. Roberts aka J. Backes & R. Roberts  
16 Revocable Trust, John Schneider, John Spicer, John T. Towey, John W. Warjone, John W.  
17 Young, John W. Young IRA/Charles Schwab, Jon F. Nordby, Jose Carrasquero, Joseph L.  
18 Davis, Joseph Waskom, Judith A. Jance, Judith Cooper Hayden aka Judith Hadyen, Judith  
19 Hughes, Judy Bledsoe Addington Credit Trust, Judy M. Schneider, Julie Carkin, June  
20 Burghardt, Karen Hobson IRA, Kari J. Guddal Record aka Kari Record, Karleen K.  
21 Kennedy, Karyn L. Kelley, Katherine D. Schmidt, Katherine Leigh McCurry, Katherine  
22 N. Heun, Kathleen Opler, Kathleen T. Snyder/Charles Schwab, Kathryn R. Sigmund  
23 IRA/Viking, Kathy & Duane Timmons, Kathy Gerke, Kay M. Edwards, Kathy Opler,  
24 Keith Schafer, Kelley Kennedy, Kelsey M. Edwards, Ken & Loretta Story, Ken B. Martin,  
25 Ken Story, Ken Story IRA, Kendal Martin, Kenneth & Katherine Heeter, Kenneth  
26

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2 Daviscourt, Kevin & Kelley Kennedy, Kevin Gabelien, Kevin Kennedy, Kimberly Susan  
3 Sinfield Family Trust, Kourtney Lorriane Graybill IRA/Charles Schwab, Kristin A.  
4 Jamerson, Kurt C. Edinger, Kyle Edwards, Lance Mueller, Lance Mueller & Assoc., Lance  
5 Mueller & Assoc. Profit Sharing Plan, Lance P Mueller IRA/RBC Capital Markets, Larry  
6 Culver, Larry M. Jensen, Larry Stauffer, Laura L. Anderson, Laurie Towey, Lawrence  
7 Michael & Michael Glenn, Lee A. Smith, Lee Kraft, Leslie Garrett 2002 Trust, Linda  
8 Breiwick, Linda D. Adams, Linda G. Jeans, Linda Griffin, Linda H. Preizler, Lloyd A.  
9 Knight Charitable Remainder Unitrust/Crista, Lois Gelman/Eric Fassler, Lola A. Yeend  
10 Growth Fund LLC & Lola A. Yeend Bond Income LLC, Loretta Kelly, Loretta Story,  
11 Loretta Story IRA, Lorin J. Anderson Trust, Lynne M. Addington IRA, Mahlon & Jeanne  
12 Nichols, Malcolm L. Edwards, Malcolm L. Edwards & Elizabeth Dowd, Malmfeldt Living  
13 Trust, Marc & Trina LaRoche, Marc LaRoche IRA, Margaret AH Siemion, Margaret Ann  
14 Ross, Margaret Tilbury, Margey Thoresen aka M. A. Thoresen, Marilyn H. Kean, Marjorie  
15 Easley, Marjorie J. Holstege, Mark & Barbara Roller, Mark & Joan Lombardi, Mark &  
16 Susan Blanchard, Mark B. Upson, Mark Cramer, Mark Weisman IRA, Marlee Kleca,  
17 Marlene Winter, Martin & Susan McCurrey, Martin Thomas Paul, Martyn F. Adams, Mary  
18 A. Sifferman, Mary Ann Gonzalez, Mary Ann Mackay, Mary Ann Moore, Mary B. Veal,  
19 Mary Elizabeth Kelly, Melissa Klebanoff, Meyers Investment LLC, Michael & Diane  
20 Quiriconi, Michael J. Sweeney & Cathleen M. Carr, Michael Ken Menth, Michael  
21 Krutsinger, Michael Quiriconi IRA, Michael R. Oreskovich, Michael Rasmussen, Michael  
22 Moran, Milton & Jane Barrett, Mimi Cristall/Macho Mouse, Monica H. Mackin, Monte &  
23 Nancy Szendre, Morgan G. Edwards, Muriel Van Housen Charitable Remainder Unitrust,  
24 Nathan Benedict & Steven Nyman, NCCF Support Inc/Bill Layton, Neal Sullins, Neville &  
25 Louella Dowell FLP, Norma Barnecutt, Norma Jean Spouse, Pamela B. McCabe, Patricia A.  
26

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1 Campbell, Patricia Anne Friedland/Pat Friedland, Patricia Marie Logan, Patricia  
2 Sabin/Penny Sabin, Patrick J. Burns, Patrick Mitchell, Paul A. Nelson, Paul Fergen, Paul G.  
3 Ellingson, Paul H. Soderlund IRA, Paul M. McDermott, Paul Stutesman, Paul Walker,  
4 Payton Smith IRA, Peter & Sandra Jouflas, Peter G. Alder, Peter Garrett, Peter  
5 Langmaid/Elizabeth Langmaid UGMA/Jessica Langmaid UGMA/Peter Langmaid &  
6 Audrey Shiffman, Peter Sutherland, Phil & Anita Rockefeller, Phillip & Susan Parise,  
7 Philip Stielstra, Pieter & Claire Van Wingerden, Poul & Joann Hansen Living Trust, Ralph  
8 B. Walker, Ralph R. Zeck DDS MS PS, Ray Bowen, Raymond Klein, RDV Racing LLC,  
9 Richard & Hope Stroble, Richard & Linda Korver, Richard & Susan Warsinke, Richard A.  
10 Snyder/Charles Schwab, Richard B. King Exempt Trust, Richard D. Padrick, Richard Izmer  
11 Revocable Living Trust, Richard Lawrence Johnson, Richard Machin, Richard Michael  
12 Creighton IRA, Richard R. Radloff, Richard Ress, Richard S. Munsen Jr IRA, Richard W.  
13 Campbell, Richard W. Johnson IRA/Sterling Trust, Richard W. Johnson Living Trust, Rick  
14 & Betsy Ellingson/Rick & Mary Ellingson, Rita Pampanin, Robert & Catherine Ferguson,  
15 Robert & Carol Grant, Robert & Karyn L. Kelley, Robert & Lyndi Taylor, Robert Bashor,  
16 Robert Bernardo, Robert C. Abbe, Robert C. Wallace, Robert Dennis & Peggy Jean Turner  
17 Charitable Unitrust/Crista, Robert E. Miller, Robert F. & Cynthia M. Mokos, Robert G.  
18 Noftsger IRA/Viking, Robert G. Noftsger Roth/Viking, Robert J. & Katherine Heun Trust,  
19 Robert J. & Nancy Hutnik, Robert J. Gerke, Robert J. Heun, Robert J. Hutnik, Robert J.  
20 Stanton Trust FBO James L. Stanton, Robert Jeans, Robert L. Cooper Family LLC, Robert  
21 L. Hoffman, Robert Murray Darling/R. Murray Darling, Robert Noftsger, Robert O.  
22 Edwards Trust, Robert P. & Catherine A. Betz, Robert Sours, Robert Staudacher, Robert  
23 Tauscher, Robert Taylor IRA, Robert Wroblewski, Robin J. Knepper Living Trust, Robin  
24 Knepper GST Non Exempt QTIP, Rodney B. Smith & Ellen B. McCown, Roger K.  
25 Hammers IRA & Roth, Roger L. Winter, Roland & Margaret Ross, Roland J. Ross IRA,  
26

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1 Ron Buzard, Ronand Norris/Ronand Norris & Linda Talley, Ronald & Deborah Parker,  
2 Ronald J. Kiracofe, Roy & Kathleen Whitman, Roy A. Slack MD, Ruhl Family Trust/K.  
3 Michael Ruhl, Ryan Andrew McCurry, Sam & Virginia Howard, Samuel Selinger IRA,  
4 Sandra Alto, Sara L. Schmitt, Sarah Johnson Armstrong, Scott D. Murdock, Scott Jennings,  
5 Scott Silver, Seidner Investments LLC, Sharon Lynne Davidoff, Sheila K. Striegl, Shelley  
6 Smith, Sherri Zom IRA, Sherrie Wilson, Shirley Iverson, Sonia Fradkin, Stanek Family  
7 Trust, Stanley B. Eastberg, Stephanie Erdahl, Stephen P. Walker III, Stephen Prentice,  
8 Stephen R. Jepson, Stephen W. Radons, Steven & Evelyn Chestnut, Steven Ban, Steven P.  
9 Wisner, Susan A. Stewart/Sterling Trust Co, Susan Ann V. Bray, Susan Melodia, Susan  
10 Stanek Winget Sep IRA, Suzanne Kotz, Suzanne Roberts IRA, Tacor Properties LLC, Terry  
11 & Rita Deschenes, Terry Collier, Theodore & Nancy Preg, Thomas & Cathy Friedland,  
12 Thomas B. Keefer, Thomas C. Green IRA/Charles Schwab, Thomas C. Green MD  
13 IRA/Charles Schwab, Thomas E. & LouAnn Rypka, Thomas F. Topel, Thomas F. Topel  
14 IRA/Charles Schwab, Thomas McGreevy, Thomas O. Orvald, Thomas W. & Cheryl L.  
15 Merriman, Thomas W. Friedland, Thomas W. Roberts, Timothy Higgins, TJI II LLC, Todd  
16 D. Silver, Tom Nickels, Tryg Winquist, Uri Silberstein, Vicki L. Brakke, Virginia Gabelein,  
17 Vivian Wheeler, Walter & Denise Smith, Warren (Terry) & Shari Hill, Wilbur Schick,  
18 Wilkinson Charitable Unitrust, William & Wenche Riva, William E. Whitaker, William  
19 Elmer IRA/Kibble Prentice, William F. Amman, William Fahlsing, William Gaylord,  
20 William H. Martin, William Larson, William P. Wolfe, Yates Family LLC, Yates Family  
21 LP, Yoko Murao, Zhanbing Wu, and, Zimmerman Trust/Miriam A. Zimmerman Living  
22 Trust (collectively "Investors").

23 2.3 On or about April 29, 2011, the "Chapter 11 Trustee's and Official  
24 Consolidated Investors' Committee's Joint Plan of Liquidation for Substantively  
25 Consolidated Debtors" (hereinafter "the Liquidation Plan") was proposed and submitted to  
26

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1 this Court. The Liquidation Plan provided for the creation of a Liquidating Trust and the  
2 appointment of Plaintiff Mark Calvert as the Liquidating Trustee. The Liquidation Plan also  
3 provided that the claims of any person who made a loan to or investment in the Meridian  
4 Funds (hereinafter “the Individual Investors”), upon electing to accept the Liquidation Plan  
5 and participate in its benefits, transferred to the Liquidating Trust certain causes of action  
6 held by the Investors individually arising from various matters regarding MPM and the  
7 Meridian Funds, including but not limited to any causes of action against persons that enter  
8 into transaction with MPM and the Meridian Funds and persons that provided services to  
9 them, including their bankers and financial advisors (i.e. defendants herein named).

10 2.4 The Liquidating Trust further provides that, among other things, the  
11 Liquidating Trustee has the rights, powers, and privileges to act on behalf of the Liquidating  
12 Trust, including but not limited to exercising the right to file and prosecute all causes of  
13 action held by the Individual Investors arising from any matter regarding MPM and the  
14 Meridian Funds and transferred to the Liquidating Trust.

15 2.5 Investors elected to accept the Liquidation Plan, establishing the Liquidating  
16 Trust and assigning certain causes of action held by the Investors individually arising from  
17 various matters regarding the MPM and the Meridian Funds.

18 2.6 On or about June 21, 2011, this Court issued an “Order Confirming Chapter  
19 11 Trustee’s and Official Consolidated Investors’ Committee’s Joint Plan of Liquidation”  
20 (“the Confirmation Order”). The Confirmation Order confirmed and approved the  
21 Liquidation Plan in its entirety, approved of the creation of the Liquidating Trust and  
22 approved the appointment of Plaintiff Mark Calvert as the Liquidating Trustee.

23 2.7 Plaintiff Mark Calvert, a resident of the State of Washington, as Liquidating  
24 Trustee, and based on the Liquidation Plan, Liquidating Trust and Confirmation Order,  
25  
26

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1 brings the causes of action set forth herein on behalf of the Liquidating Trust insofar as the  
2 Liquidating Trust is the recipient of the causes of action assigned to it by the Investors.

3 2.8 The term "Plaintiffs," as used in this Complaint, shall refer collectively to the  
4 Liquidating Trustee and parties described in paragraph 2.2 above.

5 2.9 On information and belief, Defendant Zions Bancorporation is a Utah  
6 corporation with its principal place of business in Salt Lake City, Utah. Zions Bank is  
7 publicly traded on the NASDAQ under the symbol ZIONS.

8 2.10 On information and belief, Defendant The Commerce Bank of Washington,  
9 N.A., is a federally chartered commercial bank headquartered in Seattle, Washington. On  
10 information and belief, Commerce is a subsidiary of Zions.

11 2.11 On information and belief, Zions had a unity of interest and ownership such  
12 that there was no individuality or corporate separateness between Zions, on the one hand,  
13 and Commerce, on the other hand, and for all intents and purposes Zions dominated and  
14 controlled Commerce and failed to maintain corporate separateness. As a result, Zions was  
15 the alter ego of Commerce, and vice-versa.

16 2.12 On information and belief, and at all material times, Defendants were  
17 required to comply with the Bank Secrecy Act, 31 U.S.C. § 5311 et seq., which requires  
18 financial institutions to implement programs designed to detect and report suspicious  
19 activity that might indicate financial crimes, as well as other federal and state banking laws  
20 and regulations.

21  
22 **III. JURISDICTION**

23 3.1 This Court has jurisdiction under 28 U.S.C. §§ 157 and 1334(b) over the  
24 subject matter of this proceeding because the claims asserted herein arise in or are related to  
25  
26

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1 a case pending under the Bankruptcy Code in this Court, and, based on the Liquidation Plan,  
2 Liquidating Trust and Confirmation Order.

3 3.2 On information and belief, Defendants are subject to the jurisdiction of this  
4 Court by virtue of their contacts with Plaintiffs within the United States and in the State of  
5 Washington.

6 3.3 Regardless of whether this is a core or non-core proceeding, Plaintiffs  
7 consent to the entry of final orders and judgment by this Court. Defendants are notified that  
8 Rule 7008(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules")  
9 requires Defendants to plead whether this proceeding is core or noncore and, if non-core,  
10 whether consent is given to the entry of final orders and judgment by this Court.

11 3.4 Pursuant to 28 U.S.C. § 1409(a), venue of this adversary proceeding in this  
12 Court is proper because the Consolidated Meridian Funds' bankruptcy case is pending in  
13 this district. Moreover, the Liquidation Plan and Confirmation Order establish that venue is  
14 appropriate before this Court.

15  
16 **IV. STANDING TO PURSUE CLAIMS**

17 4.1 The Liquidating Trustee has standing to pursue the claims set forth in this  
18 Complaint on behalf of Investors to the extent any such claims can be assigned, transferred  
19 or vested in the Liquidating Trust.

20 4.2 Investors have standing to pursue the claims set forth in this Complaint on  
21 behalf of themselves to the extent any such claims cannot be assigned, transferred or vested  
22 in the Liquidating Trust.

23  
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1                   **V.      FACTUAL BACKGROUND COMMON TO ALL COUNTS**

2           5.1      On information and belief, from 2001-2010, Berg created and operated the  
3 Meridian Funds purportedly for the purpose of soliciting funds from investors and investing  
4 those funds to purchase seller financed real estate contracts, real estate, mortgage backed  
5 securities and to make hard money loans. Berg raised hundreds of millions of dollars from  
6 approximately 735 investors with over 1200 individual investments between January 2001  
7 and August 2010. Plaintiffs were among those investors. Payments to investors in the  
8 Meridian Funds were purportedly to be made from the cash flows generated by borrower  
9 payments and profits generated through the sale of properties purchased by the funds. In  
10 reality, however, Berg was diverting money away from the Meridian Funds and using the  
11 money for his private purposes and personal enrichment, and making payments to investors  
12 from newly invested funds. Like all Ponzi schemes, Berg's eventually collapsed.

13           5.2      Berg held the following ownership interests in the Meridian Funds:

14                   5.2.1   a 75% interest in Meridian Mortgage Investor Fund I, II, and III;

15                   5.2.2   a 100% interest in Meridian Mortgage Investor Fund V, VI, VII, VIII,  
16                               IX, and X; and

17                   5.2.3   a 100% interest in Meridian Real Estate Opportunity Fund I and II.

18           5.3      Berg was the designated Manager and the only sitting board member of each  
19 of the Meridian Funds. In addition, Berg was the sole owner of MPM. (MPM was formerly  
20 known as PR Investor Services and was acquired by Berg in 2007 and thereafter renamed  
21 MPM.) MPM acted as an agent for the Meridian Funds and was responsible for managing  
22 the Meridian Funds' asset acquisitions, underwriting, closings and servicing. As Manager  
23 and sole director of the Meridian Funds and the sole owner of MPM, Berg dominated and  
24 controlled each entity individually and dominated and controlled all of the entities  
25 collectively. Berg was personally and intimately involved in the management of and actions  
26

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1 taken by the Meridian Funds and MPM such that the actions taken by the Meridian Funds  
2 and MPM were in truth the actions of Berg. On information and belief, Defendants knew all  
3 of these facts.

4         5.4 Berg solicited Plaintiffs to invest in the Meridian Funds and thereafter  
5 accepted investment funds from them while representing that the funds would be invested  
6 for Plaintiffs' benefit. By making investments in the Meridian Funds, Plaintiffs placed trust  
7 and confidence in Berg, and relied on his trustworthiness, judgment and representations that  
8 he would select appropriate investment vehicles for their funds. Berg, by accepting the  
9 funds, was acting in the capacity of a representative and trustee in connection with the  
10 investment, use and disposition of those funds. Berg, by voluntarily accepting responsibility  
11 for the Plaintiffs' funds, was further required to act honestly, in good faith, with loyalty and  
12 integrity and in the best interests of the Plaintiffs. On information and belief, Defendants  
13 knew all of these facts.

14         5.5 On information and belief, Berg, the Meridian Funds, MPM and other Berg  
15 related entities were clients of Defendants. At least one Commerce Bank employee  
16 publically referred to Meridian as a "valued client." Berg had opened and maintained  
17 accounts in the name of the Meridian Funds and MPM at Commerce since at least 2004, and  
18 Defendants had pursued Berg's business dating back to 2001. Millions of dollars belonging  
19 to investors, including Plaintiffs, flowed and were deposited into the Meridian Fund  
20 accounts at Commerce. On information and belief, Defendants knew the Meridian Funds  
21 were investment funds, knew that funds deposited into the Meridian Funds' and MPM's  
22 accounts were obtained from investors and were held in trust and for investors, knew the  
23 funds did not belong to Berg personally, and knew that Berg's relationship with the  
24 investors was that of a fiduciary. On information and belief, Defendants possessed this  
25 knowledge based on at least (a) the contents of the deposit agreements with the Meridian  
26

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1 Funds and MPM; (b) their relationship and communications with Berg and agents of the  
2 Meridian Funds and MPM; (c) the transactions involving and movement of money among  
3 Berg, the Meridian Funds and MPM's accounts; (d) communications with others regarding  
4 funds on deposit in these accounts; and (e) Commerce's investment arm, Equity Trust  
5 Company, having active Subscription Agreements with the Meridian Funds for the benefit  
6 of a number of investors.

7         5.6 Despite their knowledge that the monies in the Meridian Fund accounts were  
8 held in trust, and despite their knowledge that Berg owed fiduciary duties to all of the  
9 investors in the Meridian Funds, Defendants:

10             5.6.1 Allowed Berg to pay personal debts, including debts related to his  
11 multi-million dollar Mercer Island home, through wire transfers  
12 directly from Meridian Fund accounts;

13             5.6.2 Allowed Berg to purchase luxury buses for his unrelated bus  
14 company with funds transferred directly from Meridian Fund  
15 accounts;

16             5.6.3 Allowed Berg to purchase luxury buses for his unrelated bus  
17 company with funds transferred indirectly from the Meridian Fund  
18 accounts through multiple same day transactions sourced through  
19 MPM and various Berg related entities;

20             5.6.4 Allowed Berg to commingle monies between the accounts of the  
21 various Meridian Funds; and

22             5.6.5 Granted Berg preferential treatment in various ways, including but  
23 not limited to allowing consistent overdraft activity and waiving  
24 overdraft fees, extending letters of credit on terms inconsistent with  
25  
26

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1 bank policy, and failing to follow up on suspicious activity within the  
2 accounts.

3 5.7 By way of non-exclusive example only, Defendants, despite their knowledge  
4 of Berg's fiduciary duties and the custodial nature of the Meridian Fund accounts, permitted  
5 the following banking transactions:

6 5.7.1 On or about December 22, 2006, at Berg's direction, Defendants  
7 transferred \$1,025,000 from an account for Meridian Fund 6, number  
8 \*\*\*\*2898 to the account for Berg's bus company, number \*\*\*\*3711,  
9 and then made a \$893,514 transfer out of the account for Berg's bus  
10 company that same day.

11 5.7.2 On or about April 23, 2007, at Berg's direction, Defendants  
12 transferred \$775,000 from Meridian Fund accounts (consisting of  
13 \$400,000 from an account for Meridian Fund 5, number \*\*\*\*4380  
14 and \$375,000 from an account for Meridian Fund 7), to an MPM  
15 account, number \*\*\*\*2804. That same day, at Berg's direction,  
16 Defendants transferred the \$775,000 to Berg's personal account,  
17 number \*\*\*\*9601. Then, also on that same day, at Berg's direction  
18 Defendants transferred \$575,000 from Berg's personal account,  
19 number \*\*\*\*9601 to an account for Berg's bus company, number  
20 \*\*\*\*37111 and then made a \$517,800 wire transfer from the account  
21 for the bus company.

22 5.7.3 On or about May 10, 2007, at Berg's direction, Defendants  
23 transferred \$1,000,000 from MPM's Commerce account, number  
24 \*\*\*\*2804, to Berg's personal Commerce account, number \*\*\*\*9601.  
25  
26

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1                   5.7.4 On or about May 30, 2007, Berg closed the purchase of his home on  
2                   Mercer Island. Defendants recorded the deed of trust on the home that  
3                   same day. That same day, at Berg's direction, Defendants transferred  
4                   \$932,000 from Meridian Fund 6 account \*\*\*\*2898 to Meridian Fund  
5                   6 account \*\*\*\*2812, and then back again. Then, that same day, at  
6                   Berg's direction, Defendants transferred \$932,000 from Meridian  
7                   Fund 6 account \*\*\*\*2812 to Chicago Title Insurance Company, the  
8                   escrow officer for the sale of the home.

9                   5.8 Because numerous accounts were maintained by the Meridian Funds, MPM,  
10                  Berg and Berg's related entities at Commerce, and because Berg regularly engaged in  
11                  transactions involving the accounts at Commerce, Defendants assessed and earned  
12                  thousands of dollars in banking fees and charges for their services. Due to the amount of  
13                  money on deposit at Commerce and the profits Defendants enjoyed as a result of the  
14                  banking activity involving the accounts of Meridian Funds, MPM, Berg, and Berg's related  
15                  entities, Defendants complicity was not without motive. Defendants' conduct was in  
16                  violation of federal and state banking laws and regulations, as well as their own internal  
17                  standards and code of business ethics and conduct.

18                  5.9 By way of non-exclusive example, these standards are reflected in federal  
19                  law and require banks to review accounts and transactions for suspicious circumstances and  
20                  report these transactions to the Financial Crimes Enforcement Network ("FinCEN"). For  
21                  example, 12 CFR 208.62 requires charter banks such as Commerce to monitor and report  
22                  suspicious activity through the submission of a Suspicious Activity Report ("SAR") any  
23                  time the bank suspects that it "was used to facilitate a criminal transaction," or that a  
24                  transaction "involve[s] potential money laundering or violations of the Bank Secrecy Act  
25                  ("BSA")." Indeed, monitoring and reporting suspicious activity is a critical and routine  
26

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1 function of modern banks, and guidelines for identifying suspicious activity are numerous.  
2 In fact, under BSA Section 5318(g)(3), financial institutions are even insulated from liability  
3 for voluntarily disclosing this suspicious activity and, even absent suspicious activity, banks  
4 are nevertheless required to complete a Currency Transaction Report (“CTR”) for  
5 submission to FinCEN for any transaction over \$10,000.

6 5.10 Further, effective BSA compliance requires financial institutions such as  
7 Defendants to implement their own programs to protect against fraud. These programs –  
8 known industry-wide as the “Four Pillars” – include: (1) designating a compliance officer to  
9 ensure ongoing compliance; (2) developing internal policies, procedures and controls; (3)  
10 implementing ongoing and relevant training on potentially fraudulent transactions and  
11 money laundering activities; and (4) independently testing and reviewing the efficacy of  
12 these programs.

13 5.11 On information and belief, Defendants (a) failed to adequately review the  
14 transactions and financial activity involving the Meridian Funds’ accounts, MPM’s accounts  
15 and Berg’s accounts, and (b) failed to develop, implement and follow an effective due  
16 diligence program as required by the BSA and as set forth in the Bank Secrecy Act/Anti-  
17 Money Laundering Examination Manual promulgated by the Federal Financial Institutions  
18 Examinations Council. In general, a due diligence program relates to a bank’s internal  
19 controls and the adequacy of those internal controls. Defendants’ failures include, but are  
20 not limited to, failure to develop and implement an effective due diligence program and  
21 policy relating to the review of financial transactions and account activity; failure to train  
22 employees on the due diligence program and policy; failure to ensure compliance with the  
23 due diligence program and policy; and implementing recommendations from auditors for  
24 improving the due diligence program and policy.  
25  
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COMPLAINT AND JURY DEMAND - 36

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1           5.12 The Bank Secrecy Act/Anti-Money Laundering Examination Manual  
2 provides “examples of potentially suspicious activities that should raise red flags for further  
3 investigation to determine whether the transactions or activities reflect illicit activities.”  
4 Defendants failed to adhere to bank regulations that required an ongoing and regular review  
5 of Berg’s accounts for suspicious activities that included, among other things, the following:  
6 (1) funds that stayed in accounts for very little time; (2) fund transfers sent or received from  
7 the same person (i.e., Berg); (3) unusual transfers of funds that occurred among related  
8 accounts or among accounts that involve the same or related principals; and (4) fund  
9 transfers sent in large, round dollar, hundred dollar, or thousand dollar amounts.

10           5.13 On information and belief, in addition to the foregoing, or in the alternative,  
11 Defendants disregarded and/or circumvented their own due diligence program(s) and  
12 policy(ies) and disregarded recommendations from auditors regarding improvement that  
13 could and/or should be made to the due diligence program(s) and policy(ies) in order to  
14 satisfy Berg’s demands.

15           5.14 On information and belief, Defendants’ internal code and standard of  
16 conduct, which is designated the Code of Business Conduct and Ethics for Employees,  
17 further mandates that Defendants’ employees must immediately report any potentially  
18 suspicious activity. The Code of Business Conduct and Ethics for Employees states, among  
19 other things, the following: “If you are unsure about the propriety or legality of an action,  
20 get appropriate guidance;” and “we expect you to act proactively, raising concerns about  
21 ethical issues, and reporting any conduct believed to be a violation [sic] this Code, any law  
22 or regulation or any Company policy or procedure is a clear requirement of employment.”

23           5.15 If Defendants had adhered to these regulations and their own internal  
24 policies, they would have stopped Berg’s fraud and breaches of fiduciary duties well before  
25 the Funds suffered their ultimate demise in the summer of 2010.  
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COMPLAINT AND JURY DEMAND - 37	FOSTER PEPPER PLLC 1111 THIRD AVENUE, SUITE 3400 SEATTLE, WASHINGTON 98101-3299 PHONE 206-447-4400 FAX (206) 447-9700
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1           5.16 As otherwise herein alleged, until September 2009 at the earliest, the  
2 Investors were unaware of Berg's breaches of fiduciary duty and fraud and were further  
3 unaware of Defendants' role in aiding and abetting that fraud, including being unaware of  
4 any damages suffered in connection therewith. On information and belief, Berg's  
5 systematic and continuous fraud existed for years, until finally – in or about June 2010 – the  
6 Funds failed to pay out the monthly interest payments as promised to its investors. The  
7 investors in the Meridian Funds thereafter forced the funds into Chapter 11 bankruptcy  
8 proceedings. All of the Funds have subsequently filed for bankruptcy and are consolidated  
9 in the Meridian Bankruptcy Proceedings. On or about July 27, 2010, Berg filed a personal  
10 bankruptcy petition in the matter of *In re: Frederick Darren Berg*, Case No. 10-18668 in  
11 this Bankruptcy Court for the Western District of Washington. In the months that followed  
12 the initiation of the Bankruptcy Proceedings, the factual basis for the claims against  
13 Defendants, as alleged herein, were first discovered by Plaintiffs.

14           5.17 The United States Attorney's Office for the Western District of Washington  
15 subsequently arrested and charged Berg with crimes that ultimately defrauded investors out  
16 of more than \$100 million in the case styled *United States of America v. Frederick Darren*  
17 *Berg*, Case No. CR10-0310RAJ pending in the United States District Court for the Western  
18 District of Washington. Berg subsequently pled guilty to one count of Wire Fraud, one  
19 count of Money Laundering, and one count of Bankruptcy Fraud. He was sentenced to 18  
20 years.

21           5.18 The elements of the offense of Wire Fraud in violation of 18 U.S.C. §1343  
22 with respect to Berg's conduct are as follows: (1) Berg made up a scheme or plan for  
23 obtaining money or property by making false promises or statements; (2) Berg knew that the  
24 promises or statements were false; (3) the promises or statements were material, that is, they  
25 would reasonably influence a person to part with money or property; (4) Berg acted with the  
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1 intent to defraud; and (5) Berg used, or caused to be used, the wires in interstate or foreign  
2 commerce to carry out or attempt to carry out an essential part of the scheme. Berg  
3 admitted that he is guilty of the offense of Wire Fraud.

4 5.19 Berg, in his Plea Agreement, admitted that beginning sometime within the  
5 last ten years, and continuing until in or around August 2010, he knowingly and willfully  
6 devised and executed a scheme and artifice to defraud, and for obtaining money and  
7 property by means of material false and fraudulent pretenses, representations, and promises,  
8 including those made to Plaintiffs in connection with the Meridian Funds. Berg further  
9 admitted that the object of the scheme and artifice to defraud was to defraud investors  
10 (including Plaintiffs) by falsely representing that he was using all investor funds to purchase  
11 seller financed real estate contracts, real estate, and mortgage backed securities, and also to  
12 make hard money loans. During the course of the scheme Berg stole millions of dollars in  
13 investor funds, including funds belonging to Plaintiffs, which he used for his own benefit as  
14 well as to pay off earlier investors in order to conceal his false statements and continue his  
15 scheme to defraud.

## 16 **VI. FIRST CAUSE OF ACTION**

17 (Aiding and Abetting Breach of Fiduciary Duty against Defendants Zions Bancorporation,  
18 The Commerce Bank of Washington, N.A.)

19 6.1 Plaintiffs reallege all of their statements in the foregoing paragraphs 1.1  
20 through 5.19 as if set forth fully herein.

21 6.2 Berg: (i) was the majority or sole owner of the Meridian Funds; (ii) an  
22 employee, officer and director of the Meridian Funds; (iii) exercised control over the  
23 management, operation and investment decisions made on behalf of the Meridian Funds;  
24 (iv) was entrusted by Plaintiffs with funds and charged with the responsibility of investing  
25 those funds for the benefit of Plaintiffs; (v) acted in the capacity of a trustee with respect to  
26 Plaintiffs' funds; and (vi) dominated and controlled MPM both before and after its

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1 acquisition. As such, Berg owed fiduciary duties to Plaintiffs, including, among other  
2 things, duties of loyalty, fidelity, honesty, and integrity. In addition, Plaintiffs reposed trust  
3 and confidence in Berg, including but not limited to, entrusting Berg with substantial  
4 monies to invest on their behalf. Defendants knew Berg was a fiduciary of the investors in  
5 the Meridian Funds, including Plaintiffs.

6 6.3 As alleged herein, Berg breached his fiduciary duties owed to Plaintiffs by,  
7 among other acts and omissions, engaging in a fraudulent scheme resulting in the  
8 misappropriation of over \$100 million in investor funds for his own personal use, including  
9 funds belonging to Plaintiffs. Berg's conduct caused substantial financial harm and damage  
10 to Plaintiffs and continues to harm and damage Plaintiffs on a daily basis.

11 6.4 Defendants, on information and belief: (i) knew about the nature and purpose  
12 of the Meridian Funds and that Berg exercised exclusive control over the management,  
13 operation and investment decisions made on behalf of all the Funds; (ii) knew that the funds  
14 deposited in the Meridian Fund accounts at Commerce came from investors (iii) knew that  
15 Berg was engaged in a continuous pattern of transferring money into and out of fiduciary  
16 accounts held in the name of the Meridian Funds and MPM for the benefit of investors; (iv)  
17 knew that Berg would transfer funds from the Meridian Funds' accounts to MPM and then  
18 transfer them into his personal accounts; (v) knew that Berg would transfer funds from the  
19 Meridian Funds' accounts directly into his personal accounts; (vi) knew that monies  
20 originating from the Meridian Funds were being used by Berg for his personal use; and (vii)  
21 knew that Berg's conduct was tortious and constituted a breach of his fiduciary duty to  
22 Plaintiffs. These facts and circumstances, at a minimum, gave Defendants actual or  
23 constructive knowledge that Berg was engaged in a fraudulent scheme and breaching his  
24 fiduciary duties to investors in the Meridian Funds, including Plaintiffs.  
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COMPLAINT AND JURY DEMAND - 40

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1           6.5     Defendants substantially assisted and/or encouraged Berg in breaching the  
2 fiduciary duties he owed to Plaintiffs by, among other things: (i) executing transactions and  
3 financial activity at Berg's request and direction despite their actual or constructive  
4 knowledge of his fraud and breach of fiduciary duties; (ii) failing to adequately review the  
5 transactions and financial activity in connection with funds on deposit in the Meridian  
6 Funds and MPM accounts; (iii) failing to timely and effectively develop, implement,  
7 maintain and/or audit a due diligence program, including the training of employees,  
8 contractors and agents, designed to detect and report suspicious activity that might be  
9 indicative of financial crimes, including wire fraud; (iv) failing to develop internal policies,  
10 procedures, standards and guidelines regarding reporting suspicious activity and/or improper  
11 conduct, including by failing to properly train employees, contractors and agents, in  
12 connection with the detection and reporting of suspicious activity and improper conduct that  
13 might be indicative of financial crimes, including fraud; (v) failing to timely disclose to  
14 Plaintiffs that Berg was using funds belonging to the Meridian Funds for his personal use  
15 and private purposes; (vi) opening accounts for Berg and allowing him to deposit monies  
16 held in trust for Plaintiffs into his own personal accounts; (vii) permitting Berg to  
17 commingle monies held in trust for Plaintiffs with funds in Berg's personal account; (viii)  
18 transferring and/or allowing Berg to regularly transfer large sums of monies held in trust for  
19 Plaintiffs indirectly and directly into Berg's personal account and accounts of his related  
20 entities; and (ix) transferring and/or allowing Berg to regularly misappropriate large sums  
21 held in trust for Plaintiffs for Berg's personal use and for the benefit of Berg's related  
22 entities.

23           6.6     As a proximate result of the substantial assistance and/or encouragement  
24 provided by Defendants, Plaintiffs sustained damage, financial harm and losses in an  
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COMPLAINT AND JURY DEMAND - 41

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1 amount in excess of One Hundred Million Dollars, with an exact amount to be proven at  
2 trial.

3 **VII. SECOND CAUSE OF ACTION**

4 (Aiding and Abetting Fraud against Defendants Zions Bancorporation, The Commerce Bank  
5 of Washington, N.A.)

6 7.1 Plaintiffs reallege all of their statements in the foregoing paragraphs 1.1  
7 through 5.19 as if set forth fully herein.

8 7.2 Berg: (i) was the majority or sole owner of the Meridian Funds; (ii) an  
9 employee, officer and director of the Meridian Funds; (iii) exercised control over the  
10 management, operation and investment decisions made on behalf of the Meridian Funds;  
11 (iv) was entrusted by Plaintiffs with funds and charged with the responsibility of investing  
12 those funds for the benefit of Plaintiffs; (v) acted in the capacity of a trustee with respect to  
13 Plaintiffs' funds; and (vi) dominated and controlled MPM both before and after its  
14 acquisition.

15 7.3 As alleged herein, Berg engaged in a fraudulent scheme resulting in the  
16 misappropriation over \$100 million in investor funds for his own personal use, including  
17 funds belonging to Plaintiffs. Berg's conduct caused substantial financial harm and damage  
18 to Plaintiffs and continues to harm and damage Plaintiffs on a daily basis.

19 7.4 Defendants, on information and belief: (i) knew about the nature and purpose  
20 of the Meridian Funds and that Berg exercised exclusive control over the management,  
21 operation and investment decisions made on behalf of all the Funds; (ii) knew that the funds  
22 deposited in the Meridian Fund accounts at Commerce came from investors (iii) knew that  
23 Berg was engaged in a continuous pattern of transferring money into and out of fiduciary  
24 accounts held in the name of the Meridian Funds and MPM for the benefit of investors; (iv)  
25 knew that Berg would transfer funds from the Meridian Funds' accounts to MPM and then  
26 transfer them into his personal accounts; (v) knew that Berg would transfer funds from the

COMPLAINT AND JURY DEMAND - 42

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1 Meridian Funds' accounts directly into his personal accounts; (vi) knew that monies  
2 originating from the Meridian Funds were being used by Berg for his personal use; and (vii)  
3 knew that Berg's conduct was tortious and constituted a breach of his fiduciary duty to  
4 Plaintiffs. These facts and circumstances, at a minimum, gave Defendants actual or  
5 constructive knowledge that Berg was engaged in a fraudulent scheme and breaching his  
6 fiduciary duties to investors in the Meridian Funds, including Plaintiffs.

7 7.5 Defendants substantially assisted and/or encouraged Berg in committing  
8 fraud, among other things: (i) executing transactions and financial activity at Berg's request  
9 and direction despite their actual or constructive knowledge of his fraud and breach of  
10 fiduciary duties; (ii) failing to adequately review the transactions and financial activity in  
11 connection with funds on deposit in the Meridian Funds and MPM accounts; (iii) failing to  
12 timely and effectively develop, implement, maintain and/or audit a due diligence program,  
13 including the training of employees, contractors and agents, designed to detect and report  
14 suspicious activity that might be indicative of financial crimes, including wire fraud; (iv)  
15 failing to develop internal policies, procedures, standards and guidelines regarding reporting  
16 suspicious activity and/or improper conduct, including by failing to properly train  
17 employees, contractors and agents, in connection with the detection and reporting of  
18 suspicious activity and improper conduct that might be indicative of financial crimes,  
19 including fraud; (v) failing to timely disclose to Plaintiffs that Berg was using funds belongs  
20 to the Meridian Funds for his personal use and private purposes; (vi) opening accounts for  
21 Berg and allowing him to deposit monies held in trust for Plaintiffs into his own personal  
22 accounts; (vii) permitting Berg to commingle monies held in trust for Plaintiffs with funds  
23 in Berg's personal account; (viii) transferring and/or allowing Berg to regularly transfer  
24 large sums of monies held in trust for Plaintiffs indirectly and directly into Berg's personal  
25 account and accounts of his related entities; and (ix) transferring and/or allowing Berg to  
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COMPLAINT AND JURY DEMAND - 43

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regularly misappropriate large sums monies held in trust for Plaintiffs for Berg's personal use and for the benefit of Berg's related entities.

7.6 As a proximate result of the substantial assistance and/or encouragement provided by Defendants, Plaintiffs sustained damage, financial harm and losses in an amount in excess of One Hundred Million Dollars, with an exact amount to be proven at trial.

**X. PRAYER**

**WHEREFORE**, Plaintiffs pray for relief and judgment as follows:

1. Awarding monetary damages against Defendants, in favor of Plaintiffs, for all losses and damages suffered as a result of the wrongdoings alleged herein, with the exact amount to be proven at trial;
2. All fees and expenses incurred in this action by Plaintiffs, including but not limited to a reasonable allowance of fees for Plaintiffs' attorneys and experts; and
3. Such other and further relief as the Court may deem just and proper.

**XI. JURY DEMAND**

Plaintiffs demand a trial by jury on all causes so triable.

DATED: August 29, 2012

FOSTER PEPPER PLLC

/s/ Jane Pearson

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Attorneys for Plaintiffs

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/s/ Michael J. Avenatti

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COMPLAINT AND JURY DEMAND - 44

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